

Thaba Chweu Local Municipality



2011-2012

ANNUAL REPORT

DRAFT

TABLE OF CONTENTS

INTRODUCTION AND OVERVIEW

Foreword by Mayor	Page 1
Thaba Chweu Map	Page 2

CHAPTER 1

Geographical Location	Page 3
Population Size and Municipal Area	Page 3
Vision and mission	Page 3
Geography	Page 3
Geography	Page 4
Geography	Page 4-5
Municipal Wards	Page 6-7
Values, principles and objectives	Page 8-9
Objectives Based on the National KPA's	Page 10
Five Year Implementation Plan	Page 11-36

CHAPTER 2

Human Resource and Other Organisational Management

Human Capital Mission	
Introduction	Page 37-38
Champion of Human Resource	Page 38
Municipal Structure: Post and Vacancies	Page 39
Employment Equity and Employment	Page 39
Recruitment selection	Page 40
Current Employees Profile: Core and Support Functions	Page 41
Skills Development and Personnel Trained during 2011/12	Page 42
Internship, Bursary Scheme and Skilled Efficiency Analysis	Page 42-43
Employee Wellness Programme	Page 43
Education and Information,	Page 44-45
HR involvement in the community	Page 45
Policy Programmes and Policies	Page 45
Executive and Council	Page 46-47

CHAPTER 3

Performance Highlights

Objectives	Page 48
Achievements and Key Performance Areas	Page 48
Sanitation and Water	Page 49
Electricity	Page 50
Roads and Storm Water	Page 51
Town Planning and Project Management	Page 51
Challenges	Page 52

CHAPTER 4

Financials

General Information, Purpose, Strategic Objective, Performance highlight	Page 53
Strategic Objective, Performance Highlight & System	Page 53
Information Communication Technology System	Page 54
Operating Revenue and Expenditure	Page 55
Financial Resources Management	Page 55-56
External Loans	Page 56
Consumer Debtors	Page 56
Grants	Page 57
Auditor General Report & implementation plan (Copy Attached)	Page 57
Financial Statement for the year ended 30 June 2011(copy Attached)	Page 58
Annual Report of the Audit Committee (Copy Attached)	Page 59
Risk Assessment Report (Copy Attached)	Page 59

CHAPTER 5

Service Delivery Report

Overview	
Description and detailed analyses	Page 60-61
Finance & Administration: Finance	Page 63-66
Finance & Administration: Human Resource	Page 67-68
Finance & Administration: Other Administration (Procured)	Page 69-70
Planning & Development (Economic Development)	Page 71-77
Health (Ambulance)	Page 78-85
Public Safety (Traffic)	Page 66-96
Roads Transport (Roads)	Page 97-99
Roads & Transport (Public & Buses)	Page 100-102
Electricity Distribution	Page 103-106
Electricity Lighting	Page 107-109
Water Distribution	Page 110-114
MIG Funds	Page 115
Synopsis: Municipal Manager	Page 116



**Foreword by the
Executive Mayor**

Welcome to the 2011/2012 financial year. The Municipality has stabilised politically since this current administration has been in office. The past 24 months has been challenging as the Municipality was working towards putting systems back in place after administration in terms of section 139(b) of MFMA.

Things are starting to improve and the ship is being steered to the right direction, though the Municipality received a disclaimer, a lot still needs to be done to ensure that an unqualified audit is realized in the next financial year.

We can safely pronounce that there is administrative accountability with the appointment of the Municipal Manager and the Corporate Director. The Chief Financial Officer is soon to be appointed.

The leadership as a collective continues to work towards inspiring all and sundry to make a meaningful contribution to better the lives of communities. Our stakeholders had been with us through thick and thin and we cannot thank them enough.

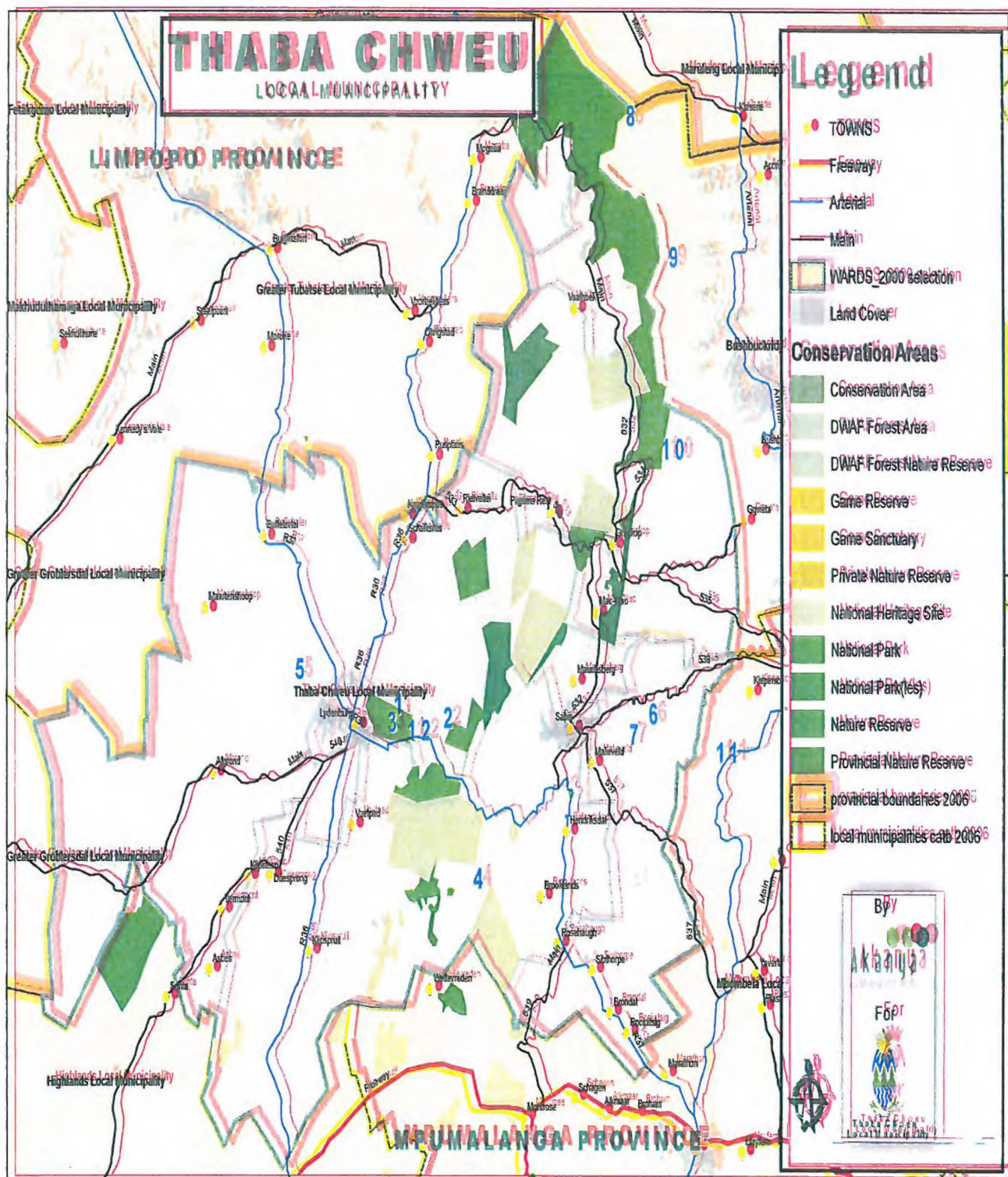
I am forever grateful for the positive and tireless contribution and dedication of the staff at the Municipality.

Enhancing of revenue is still a challenge but we urge communities to pay their services as this will assist improve and accelerate service delivery.

Lastly I would like to thank all Thaba Chweu Patriots.

Together we can do more!!!

Cllr M.M Marobela
The Executive Mayor of Thaba Chweu Local Municipality



MAP 1: THABA CHWEU LOCAL MUNICIPALITY

CHAPTER 1

1. INTRODUCTION AND OVERVIEW

Vision

Tourism home to the scenic wonders of Africa

Mission

To provide a tourism developmental local government by rendering:

World Class Quality Services
Socio and Economic Development
A safe and Healthy Environment
Public Participation
Tourism Enhancement.

1.1. GEOGRAPHY

Thaba Chweu Municipality came into being after the 5th of December 2000 local government elections and it encompasses the following disestablished municipalities:

Belfast TRC (Portion)
Lydenburg TRC (Portion)
Lydenburg TLC (Whole)
Graskop TLC (Whole)
Pilgrim's Rest TRC (Whole)
Sabie TRC (Whole)
Nelspruit (Portion)

Thaba Chweu Municipality is located in the northwestern region of Mpumalanga Province and covers an area of 5 680.71 km². The escarpment divides the district into eastern and western halves. The Western half (Lydenburg district) is dominated by agricultural and farming activities while forestry is the main economic activity of the Eastern half (Sabie/Graskop district). Thaba Chweu is one of the major tourist attraction areas in the Republic of South Africa and includes the following regions: Sabie/Simile/Harmony Hill (referred to as "Sabie"), Lydenburg/Mashishing/Kellysville (referred to as "Lydenburg"), Pilgrim's Rest, Graskop and Leroro/Moremela/Matibidi (referred to as Graskop),

Lydenburg, Sabie and Graskop are the core service centers of the entire municipality. The municipality is subdivided into 14 wards and has a total of 27 Councilors of which 14 are ward councillors and 13 are Proportional Representation councillors.

1.1.1. Mashishing

This is the oldest town in the province and the hub of heritage where amongst others, the famous Lydenburg Heads which said to date back to 400 AD were found in the 1950's. Also found here are the old stone houses. Most of all is this is the home of Trout fishing.

1.1.2. Graskop

The area is the home to the Three Rondavels, The Blyde Canyon, Potholes, God's window, The Pinnacle, Berlin, Lisbon and Graskop Falls, all of which are world renowned heritage sights and form the Panorama Route. Graskop is a tourist town.

1.1.3. Sabie

When travelling east of Mashishing through the Long Tom Pass there are hectares of pine plantations, the road twist and meanders in the mountains which are part of Drakensberg mountain range. Mountains covered with white snow caps during winter and green vegetation in summer with occasional mist.

1.2. The Economic Potential of Thaba Chweu



Figure 1: Tourist attraction in Thaba Chweu

Thaba Chweu offers unique opportunities for tourism development through:

- Marketing, promotion and packaging of tourist sites and experiences
- Opportunity exists for accommodation development
- Tour guide and tour operator development
- Cultural village and township tourism establishment
- Arts and crafts development

1.2.1. Agriculture

Thaba Chweu is dominated by forestry, beef, peaches, kiwis, maize, and citrus production. The climate which is characterized by the up to 735mm rainfall makes Thaba Chweu ideally suitable region for such production. Pilgrims rest citrus production together with a number of citrus productions in the country forms largest citrus in the Agriculture sector are:

- Expansion and diversification of existing.
- Agriculture products



Figure 2: White snow caps during winter season in Thaba Chweu

- Opportunities through backward and forward and forward economic linkages.
- Agro-processing of citrus and meat
- SMME opportunities in the forestry sector

1.2.2. Mining

The Bushveld Complex of Platinum Group Metals which runs through Limpopo and Mpumalanga offers great economic potential. Mining activity has in the past three years increased reasonably dominating with platinum and gold, found in the western side of the municipality and around. Thaba Chweu boasts some chrome production in the west western parts of the municipality and existing opportunities are:

- Small Scale mining
- Downstream beneficiation of minerals
- Ferrochrome for steel production
- New entrants through to mainstream industry for BEE (Black Economic Empowerment)

1.3. Areas constituting the Thaba Chweu Municipality

1.3.1. Towns and villages

In terms of the Municipal Demarcation Board the Thaba Chweu Local Municipality consists of the following areas:

- Graskop
- Sabie
- Simile
- Marambane
- Mashishing (Lydenburg)
- Hendriksdaal
- Leroro
- Matibidi
- Moremela
- Badfontein
- Blyde
- Brondal
- Buffelsvlei
- Goedewil
- Graan
- Klein-Sabie
- Klipskool
- Krugerspos
- Maartenshoop
- Mauchberg
- Pilgrim's Rest
- De Berg
- Vermont.

The towns of Mashishing (Lydenburg), Sabie and Graskop serve as the Municipality's main administrative units with Mashishing (Lydenburg) as the Municipality's head office.

1.3.2. Municipal Wards

WARD	DESCRIPTION
1	Portion of Mashishing Township
2	Portion of Mashishing to the east, Kellysville and Skhila
3	Portion of Mashishing to the west
4	Rural areas west of Lydenburg and Mashishing known as Coromandel
5	Rural areas north-west of Mashishing known as Shaga and Draaikrall
6	Portion of Simile and eastern rural areas
7	Sabie town, Harmonyhill and small portion of Simile
8	Matibidi
9	Moremela and Leroro
10	Graskop, Pilgrim's Rest and northern rural areas
11	Rural area south of Sabie and Graskop towards White River (known as Brondal)
12	Lydenburg town
13	Pilgrim's rest
14	Portion of Lydenburg

Table 2: Municipal Wards (Source: Thaba Chweu Local IDP 2009)

1.4. Population size

As per the 2001 census data, the Municipality's population is estimated at 81 240, which is 8,6% of the Ehlanzeni District Municipality's population. As Figure 1 depicts, 86,0% of the Municipality's population is made out of Africans; 11,7% Whites; 2,0% Coloured and 0,4% Indians. Table 3 shows the Municipality's population size, gender and age structure per ward.

In terms of gender there is more a less a balance between males and females in which 50,2% of the population is female and 49,8% of the population is younger than 5 years, 18,9% aged between 5 and 14 years, 37,7% aged between 15 and 34 years, 29,4% aged between 35 and 64 years and 4,4% aged over 65 years. The ward with the largest population size is ward 4 followed by ward 9 and 8, which are rural wards.

Population Size and Age Structure Per Ward – 2001													
Persons	WARD												Total
	1	2	3	4	5	6	7	8	9	10	11	12	
Males – 0 to 4	195	399	330	609	303	246	177	426	399	255	345	234	3918
Males – 15 to 34	435	696	660	1275	315	417	408	1089	1149	501	276	378	7599
Males – 15 to 34	1038	1125	1254	1560	1596	1215	1005	1266	1392	1290	1881	792	15414
Males – 35 to 64	1125	774	759	1134	1506	870	906	588	693	1206	1917	579	12057
Males – Over 65	234	57	54	204	99	78	123	195	180	108	72	63	1467
Females – 0 to 4	180	396	363	600	228	216	183	441	435	261	312	189	3804
Females – 5 to 14	495	738	648	1266	381	411	432	1041	1194	486	291	402	7785
Females – 15 to 34	963	1461	1332	1614	1299	1116	912	1485	1665	1149	1380	876	15252
Females – 35 to 64	1227	825	789	1188	915	855	909	1065	1131	981	1290	636	11811
Females – Over 65	357	129	108	267	39	57	135	375	381	111	48	126	2133
Males Total	3027	3051	3057	4782	3819	2826	2619	3564	3813	3360	4491	2046	40455
Females Total	3222	3549	3240	4935	2862	2655	2571	4407	4806	2988	3321	2229	40785
TOTAL	6249	6600	6297	9717	6681	5481	5190	7971	8619	6348	7812	4275	81240

Table 3: Population Size and Age Structure Per Ward (Source: Stats SA 2001)

According to the 2001 Census, 69,1% of households (14 556) lived in formal housing types, 21,5% (4 533) in informal, 9,0% (1 894) in traditional and 0,4% (91) other housing types (Table 8). Informal housing is still prevalent and increasing in wards in the three main towns of the municipality, which are ward 3 with 60,9%, wards 6 and 7 with 43,2% and 40,3% respectively. In the past year the Provincial Department of Local Government and Housing has been busy with a number of housing projects. This increase in the number of informal housing is attributed to the uncontrolled influx of people to these towns.

Number Of Households In Each Type Of Dwelling Per Ward												
Dwelling Type	WARDS											
	1	2	3	4	5	6	7	8	9	10	11	12
Formal	1746	1401	678	948	927	1053	1062	1512	1290	1719	1596	618
Informal	18	294	1080	96	102	834	735	153	411	342	39	426
Traditional	33	171	15	651	123	15	12	162	444	24	159	84
Other	6	3	0	6	3	27	12	0	9	18	6	0

In 2001, 40.9% (8 624) households used electricity, 35.3% (443) households used wood and 18.5% (3 903) households used paraffin as source of energy for cooking, as shown in Figure 9, (Source: Statistics SA Census 2001). Most of the households, for instance 76.7% within Thaba Chweu can access electricity (DPLG Database, 2004).

2. VALUES AND PRINCIPLES

- Integrity
- Accountability
- Developmental & Environmental conservation
- Impartiality
- Responsiveness
- Patriotism
- Professionalism
- Good Governance, and
- Transparency

The above values will find expression through:

- Adhering to a high standard of professional ethics that will be promoted and maintained;
- Promoting the efficient, economic and effective use of resources;
- Impartially, fairly and equitably providing services to the community;
- Responding to the needs of the community;
- Encouraging community participation in the policy making mechanisms of the municipality;
- Staying accountable to the public, as a municipality; for decisions and actions taken;
- Demonstrating transparency, through providing the public with timeous, accessible and accurate information;

- Maintaining objectivity, fairness and adherence to the Employment Equity and Black Economic Empowerment Acts within the employment policies and practices of the municipality; and
- Structuring and managing the administration, budgeting and planning processes of the municipality to give priority to the basic needs of the community (including the indigent).

2.1. GOALS

- Provide a democratic and accountable local government to the community of Thaba Chweu;
- Provide sustainable services to the communities of Thaba Chweu
- Promote social and economic development within the Municipal area
- Promote a safe and healthy environment, and
- Elicit the participation of the community in the matters of the municipality.




OBJECTIVES BASED ON THE NATIONAL KPA'S

PRIORITY AREAS	ACTIVITIES	BUDGET PROVISION	RESPONSIBLE PERSON	TIME FRAME
Maintenance of Political Stability	<ul style="list-style-type: none"> Know and perform in accordance to your roles and responsibilities as a politician Political cohesion 	YES	Executive Mayor, Speaker and Chief Whips	Continuously
Financial Management/Viability				
Revenue Management	Improve debt collection and income generation	YES	CFO	30 June 2012
Asset Management	To compile an asset register in a document form	YES	CFO	30 March 2012
Investment Management	To acquire a short term insurance		CFO	30 June 2012
Budget Control	To monitor all expenditure as per approved budget	YES	CFO	30 June 2012
Commitment (By both Politicians and Officials) towards effective and efficient service delivery	<ul style="list-style-type: none"> Meeting due dates Passion-Building Commitment Design weekly 	NO	Executive Mayor Speaker and All HOD's	Continuously


	<ul style="list-style-type: none"> work schedules with Supervisors. • Demand weekly Supervisors minutes together with attendance register. • Keeping of attendance registers • Concerns of the workers • Feedback • Strengthening of LLF • Communication • Development of a Hot line • Praising • Team building/informal get together • Engage to brainstorm 			
Economic Growth	<ul style="list-style-type: none"> • Develop Spatial Development Framework and Land Use Management System • Develop LED and Tourism Strategy • Acquire land for 	<p>YES</p> <p>YES</p> <p>YES</p>	<p>Director Technical and Engineering Services*</p> <p>Municipal Manager</p>	<p>December 2012</p> <p>End June 2012</p>


















	<p>economic development</p> <ul style="list-style-type: none"> • Conduct land audit • Provide bulk services • Develop infrastructure • Encourage establishment PPP's 	<p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p>	<p>Municipal Manager Director Corporate</p> <p>Director Technical Executive Mayor Communication and Marketing Officer</p> <p>All Directors</p>	
<p>Skills/Lack of capacity</p> <p>Skills Acquisition</p>	<ul style="list-style-type: none"> • Develop an individual intervention plan • Develop a Scarce Skills Retention Policy 	<p>NO</p>	<p>Senior Manager: Institutional Development and Transformation</p>	<p>End September 2012</p>








THABA CHWEU MUNICIPALITY STRATEGIC FIVE YEAR IMPLEMENTATION PLAN

Strategic Objective 1: Provide access to basic services					
KPA 1: The TCLM will provide basic services to all community members regarding housing, potable water, sanitation, waste removal, electricity, and a safe and healthy environment					
HOW? (Main projects /activities)	Outcomes: Year 1	Outcomes: Year 2	Outcomes: Year 3	Outcomes: Year 4	Outcomes: Year 5
1.1 Integrated formal housing strategy & implementation plan	Integrated housing strategy and implementation plan approved by Dept. of Human Settlements & TCLM Council  Housing developments already under construction completed	35% of identified housing needs addressed across all wards  Dolomite investigation & management plan completed	55% of identified housing needs addressed across all wards	75% of identified housing needs addressed across all wards	95% of identified housing needs addressed across all wards
1.2 Implementation plan that ensures all communities have access to	Needs analysis relating to water requirements completed and implementation plan approved by Council	Access to water capital projects to the value of an additional R82m undertaken as per Tech. Dept.	Access to water capital projects to the value of an additional R63m undertaken as per Tech. Dept. plan  Construction of	Access to water capital projects to the value of an additional R33m undertaken as per Tech. Dept. plan	Access to water capital projects to the value of an additional R31m undertaken as per Tech. Dept. plan











potable water	<p>Access to water capital projects to the value of R35m undertaken as per Tech. Dept. plan</p> <ul style="list-style-type: none"> Upgrading Lydenburg water treatment plant Bulk water supply to Draaihoek settlement <p>14.3% of capital</p>	<p>plan</p> <ul style="list-style-type: none"> Connection of Harmony Hill reservoir to Ext 3 Provision of water to Simile informal settlements Lydenburg Ext 6 reservoir Shaga bulk water supply Start of Moremela bulk water supply Construction of Dullstroom Rd. 	<p>additional Lydenburg reservoirs</p> <ul style="list-style-type: none"> Start of bulk water reservoir Simile reticulation upgrades Mashishing reticulation upgrades Sikhila reticulation upgrades Provision of water supply to Stasie; 4x4; & Motibidi Moremela bulk supply Graskop upgrades <p>73.7% of capital project spend completed</p>	<ul style="list-style-type: none"> Construction of Lydenburg reservoirs Completion of Simile upgrades General water network upgrading Silhila upgrade completed Completion of supply projects to Stasie and 4x4 Moremela bulk supply completed Sabie network upgrades Coromandel water supply upgrades Additional Graskop upgrades Morapama water supply completed <p>87.3% of capital</p>	<ul style="list-style-type: none"> Lydenburg reservoirs completed Dullstroom Rd reservoir completed Continuation of water reticulation to Leroro General upgrading of network continues Ext 6 reticulation completed Motibidi water supply completed Graskop water supply & metering completed
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	project spend completed	reservoir  Water reticulatio n to Leroro  47.9% of capital project spend completed		project spend completed	 Total capital project spend of R244m (100%) incurred over 5 year period
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1.3 Sanitation strategy	<p>Strategy to ensure access to reasonable sanitation developed and implementation plan approved by Council</p> <p>Capital projects to the value of R32m spent on improving access to reasonable sanitation undertaken as per Tech. Dept. plan</p> <ul style="list-style-type: none">  R10m spent on rural sanitation  R21m spent on urban sanitation upgrades 	<p>Capital projects to the value of an additional R63m spent on improving access to reasonable sanitation</p> <ul style="list-style-type: none">  R9m spent on rural sanitation  Mashishin g Ext 8 outfall sewer  R21m spent on urban sanitation upgrades  Statsie connector sewer  Constructi on Western outfall sewer 	<p>Capital projects to the value of an additional R62m spent on improving access to reasonable sanitation</p> <ul style="list-style-type: none">  Sewer house connections  R8.5m rural sanitation provisions  R18m urban sanitation upgrades  Western Outfall sewer main completed  Graskop waste water treatment plant upgraded 	<p>Capital projects to the value of an additional R24m spent on improving access to reasonable sanitation</p> <ul style="list-style-type: none">  Sewer house connections  General sewer upgrading (R6.5m)  Lydenburg waste water treatment plant upgrading 	<p>Capital projects to the value of an additional R22m spent on ensuring the strategy and implementation plan are met.</p> <ul style="list-style-type: none">  General sewer upgrading (R4.5m)  Upgrading Lydenburg waste water plant completed
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	 15.2% of capital project spend completed	main  Extension of Lydenburg waste water treatment plant  Sewer house connections  46.7% of capital project spend completed	 77.3% of capital project spend completed	 89% of capital project spend completed	 Total capital spend of R203m (100%) incurred in improving access to reasonable sanitation
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1.4 Effective waste removal & management	<p>Overarching waste management strategy and implementation plan, including 'green' options & technology, approved by Council</p> <ul style="list-style-type: none"> Feasibility study completed on outsourcing option, with strategic decisions taken Develop waste By-laws and implementation plan New landfill site issues addressed in Sabie 	<p>Effective & efficient waste management practices in place</p> <ul style="list-style-type: none"> Recycling system and practices adopted in TCLM Public monitoring & evaluation of service (Ward Committees) 	<p>Effective & efficient waste management practices in place</p> <ul style="list-style-type: none"> Public monitoring & evaluation of services (Ward Committees) 	<p>Effective & efficient waste management practices in place</p> <ul style="list-style-type: none"> Public monitoring & evaluation of services (Ward Committees) Compost Plant to create community gardens 	<p>Effective & efficient waste management practices in place</p> <ul style="list-style-type: none"> Public monitoring & evaluation of services (Ward Committees)
1.5 Access to & control of electricity services	<p>Access to electricity needs identified</p> <p>Electricity credit control system implemented & managed</p> <ul style="list-style-type: none"> Illegal connections 	<p>Illegal connections reduced by further 20%</p> <ul style="list-style-type: none"> Rooidraai Substation construction 	<p>Illegal connections reduced by further 10%</p> <ul style="list-style-type: none"> Rooidraai substation construction completed (R5m) <p>Eskom substation</p>	<p>Illegal connections reduced by further 5%</p> <ul style="list-style-type: none"> General refurbishment (R4m) Installation of 	<p>Illegal connections reduced by further 5%</p> <ul style="list-style-type: none"> Installation of streetlights in Leroro & Graskop

	<p>reduced by 50%</p> <p> Rooidraai substation construction (R5m)</p> <p> General infrastructure upgrading (R9m)</p> <p> General refurbishing (R4m)</p> <p> Installation of streetlights in Coromandel, Lydenburg, Mashishing, Ext 2, Leroro & Graskop</p>	<p>on (R7m)</p> <p> Upgrade Mashishing substation (R8m)</p> <p> Eskom substation (R39m)</p> <p> Constructing switching stations and lines (R6m)</p> <p> General refurbishing (R4m)</p> <p> Installing ARM's (R21m)</p> <p> Installation of streetlights in Matibidi, Skhila, Leroro &</p>	<p>(R40m)</p> <p>Change to CABLE network (R11m)</p> <p>General refurbishing (R4m)</p> <p>Installing ARM's (R15m)</p>	<p>streetlights in Leroro & Graskop</p>	
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		Graskop			
1.6 Safe & healthy environment	<p>Effective community policing systems in place as shown by reduced crime levels</p> <p>Health function transferred to Prov. Govt.</p> <ul style="list-style-type: none"> 🔧 By-laws reviewed & enforced 🔧 Water & air pollution tests and analysis and Develop a polict and structure 🔧 Emergency control room constructed in Sabie & Leroro 🔧 2 x fire trucks procured 	<p>Reduction in crime levels</p> <p>Water & air pollution monitored & corrective action taken where necessary</p> <ul style="list-style-type: none"> 🔧 By-laws enforced 🔧 2 x water carriers secured 	<p>Reduction in crime levels</p> <p>Water & air pollution monitored & corrective action taken where necessary</p> <ul style="list-style-type: none"> 🔧 By-laws enforced 	<p>Reduction in crime levels</p> <p>Water & air pollution monitored & corrective action taken where necessary</p> <ul style="list-style-type: none"> 🔧 By-laws enforced 	

Strategic Objective 2: Local Economic Development (LED)

KPA 2: The TCM will develop and implement a LED strategy that will create jobs, reduce unemployment and inequalities whilst growing the economy of the municipal region














HOW ?(Main projects)	Outcomes: Year 1	Outcomes: Year 2	Outcomes: Year 3	Outcomes: Year 4	Outcomes: Year 5
2.1 Effective LED Agency	<p>THALEDA established as a functioning entity</p> <p>LED strategy and implementation plan for TCLM developed and approved by Council</p> <ul style="list-style-type: none"> Feasibility study for the establishment of Sabie Teachers Training/FET College (approx. 6000 learner educators) TCLM economy growth 2% greater than national average 4520 jobs created 	<p>Additional jobs created</p> <p>Unemployment rate reduced by 2%</p> <ul style="list-style-type: none"> Outcome of college feasibility study in Sabie taken to next stage Economy grown by 2% greater than nat.ave. 	<p>Additional jobs created</p> <p>Unemployment rate reduced by an additional 2%</p> <ul style="list-style-type: none"> Economy grown by 2% greater than national ave. 	<p>Additional jobs created</p> <p>Unemployment rate reduced by an additional 2%</p> <ul style="list-style-type: none"> Economy grown by 2% greater than national ave. 	<p>Additional jobs created</p> <p>Unemployment rate reduced by an additional 2%</p> <ul style="list-style-type: none"> Economy grown by 2% greater than national ave.











2.2 Tourism Development	Integrated tourism strategy & implementation plan developed and approved by Council	On-going development & implementation of tourism strategy	On-going development & implementation of tourism strategy	On-going development & implementation of tourism strategy	On-going development & implementation of tourism strategy
	<p>MPTA development projects underway at Blyde River canyon, God's Window, Bourke's Luck & Lydenburg</p> <ul style="list-style-type: none"> Feasibility study of tourism rail coach project undertaken Refurbishment & outsourcing of Graskop Holiday resort Refurbishment & outsourcing of Castle Rock Resort in Sabie Outsourcing of Lydenburg Game Reserve Maintenance of parks, gardens, 	<p>MPTA development projects continued</p> <ul style="list-style-type: none"> Additional 5% increase in tourists visiting the region additional jobs created in sector World class maintenance of public tourist sites 	<ul style="list-style-type: none"> Additional 6% increase in tourists visiting the region additional jobs created in sector World class maintenance of public tourist sites 	<ul style="list-style-type: none"> Additional 7% increase in tourists visiting region additional jobs created in sector World class maintenance of public tourist sites 	<ul style="list-style-type: none"> Additional 8% increase in tourists visiting region additional jobs created in sector World class maintenance of public tourist sites




	grass verges, cemeteries & picnic/scenic spots				
2.3 Rural Development & Food Security	<p>A comprehensive rural development strategy & implementation plan approved by Council</p> <p>Year 1 phase implemented</p> <ul style="list-style-type: none"> ✦ Development of a land use strategy ✦ Implementation of small holder & food garden co-operative project in each ward ✦ 1000 jobs created ✦ Establishment of an agri-village 	<p>Year 2 phase implemented</p> <ul style="list-style-type: none"> ✦ 10 additional co-op and/or smallholder farming projects ✦ 2 additional agri-villages ✦ 1500 additional jobs created 	<p>Year 3 phase implemented</p> <ul style="list-style-type: none"> ✦ 10 additional co-op and/or smallholder farming projects ✦ 2 additional agri- villages ✦ 2000 additional jobs created 	<p>Year 4 phase implemented</p> <ul style="list-style-type: none"> ✦ 10 additional co-op and/or smallholder farming projects ✦ 2500 additional jobs created 	<p>Year 5 phase implemented</p> <ul style="list-style-type: none"> ✦ 10 additional co-op and/or smallholder farming projects ✦ 3000 additional jobs created












Strategic Objective 3. Responsive Local government

KPA 3: Responsive, effective, efficient local government system

HOW ?(Main projects /activities)	Outcome: Year 1	Outcome: Year 2	Outcome: Year 3	Outcome: Year 4	Outcome: Year 5
3.1 IDP Planning	<p>Integrated development plan (IDP) planning process completed</p> <ul style="list-style-type: none">  Spatial development framework (SDF) reviewed & updated  Land audit & land use analysis (including municipal land) completed  GIS capacity & resources developed  Priority projects identified and funding and/or grants secured 	<p>IDP Year 2 reviewed and outcomes implemented</p> <ul style="list-style-type: none">  Best practice IDP capacity developed  TCLM's IDP planning & implementation process ranked 2nd best in EDM  All IDP projects include GIS inputs 	<p>IDP Year 3 reviewed & outcomes implemented</p> <ul style="list-style-type: none">  TCLM's IDP planning & implementation process ranked best in EDM  All IDP projects include GIS inputs 	<p>IDP Year 4 reviewed & outcomes implemented</p> <ul style="list-style-type: none">  TCLM's IDP planning & implementation process ranked best in province  All IDP projects include GIS inputs 	<p>IDP Year 5 reviewed & outcomes implemented</p> <ul style="list-style-type: none">  TCLM's IDP planning & implementation process ranked amongst top three in country  All IDP projects include GIS inputs

3.2 Effective organizational structure	<p>Organisational structure reviewed, informed by IDP</p> <ul style="list-style-type: none">  Job functions and people profiles defined and applied  All critical posts filled  HR policies & procedures approved by Council  ETD programmes, informed by skills needs analysis, implemented  Workplace relations building intervention begun  Implementation of an effective performance management system 	<p>Effective HR practices in place</p> <ul style="list-style-type: none">  Performance reviewed its contracts & corrective action taken where required.  Ratio payroll expenses to overall operating expenses meets best practice  Building workplace relations initiative continued 	<p>Best practice HR processes and procedures in place</p> <ul style="list-style-type: none">  TCLM regarded as a centre of excellence for HR practices & effectiveness. 		
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	 All HR practices comply with labour legislation				
3.3 Effective functioning of ward committees	<p>Fully representative ward committees functioning across all wards</p>  Regular meetings of ward committees held	Effective communication between all communities and TCLM			
	 Effectiveness of ward committees monitored & evaluation				





3.4 Capacity to manage infrastructure & developmental projects and grants	<p>Capacity in project management skills developed as needed across TCLM</p> <p> Grant management capacity and best practice developed</p>	<p> Projects & grants managed according to plan</p>	<p> Projects & grants managed according to plan</p>	<p> Projects & grants managed according to plan</p>	<p> Projects & grants managed according to plan</p>
3.6 Service Delivery and Budget implementation Plan (SDBIP)	<p>SDBIP developed & approved by Council</p> <p> SDBIP implemented</p> <p> Quarterly public evaluation on implementation of SDBIP via Ward Committees</p>	<p>Reviewed SDBIP implemented</p> <p> Ward Committee evaluation of implementation progress</p>	<p>Reviewed SDBIP implemented</p> <p> Quarterly implementation progress evaluation by Ward Committees</p>	<p>Reviewed SDBIP implemented</p> <p> Quarterly Ward Committee evaluation of progress</p>	<p>Reviewed SDBIP implemented</p> <p> Quarterly implementation progress by Ward Committees</p>

Strategic Objective 4: Maintenance & refurbishment of assets and infrastructure

KPA 4: Effective maintenance & refurbishment of assets & infrastructure







HOW ?(Main projects /activities)	Outcomes: Year 1	Outcomes: Year 2	Outcomes: Year 3	Outcomes: Year 4	Outcomes: Year 5
4.1 Asset register	<p>Asset register completed & maintained</p> <p>Refurbishment plan approved by Council</p> <ul style="list-style-type: none"> Infrastructure refurbishment plan implemented Road surfaces, both tarmac and gravel, maintained Pothole repair plan developed & implemented Standard operating & 	<ul style="list-style-type: none"> Refurbishment plan reviewed and implemented Asset register updated 	<ul style="list-style-type: none"> Refurbishment plan reviewed and implemented Asset register updated 	<ul style="list-style-type: none"> Refurbishment plan reviewed and implemented Asset register updated 	<ul style="list-style-type: none"> IDP refurbishment plan implemented & assets effectively maintained

	control procedures adhered to				
4.2 Planned maintenan ce programm es	<p>Planned maintenance system developed</p> <ul style="list-style-type: none"> Capacity needs to meet plan identified Planned maintenance programme & plan approved by Council Critical and scarce skills recruited & retained Apprenticeship and other skills development plans developed Effective water purification, storage & delivery system 	<ul style="list-style-type: none"> Planned maintenance conducted Targeted reduction in breakdowns achieved 	<ul style="list-style-type: none"> Planned maintenance conducted Targeted reduction in breakdowns achieved 	<ul style="list-style-type: none"> Planned maintenance conducted Targeted reduction in breakdowns achieved 	<ul style="list-style-type: none"> Planned maintenance conducted Targeted reduction in breakdowns achieved

	<p>maintained</p> <p> Plan to develop & maintain effective storm water infrastructure developed & approved</p> <p> Municipal & other public buildings maintained</p> <p> Effectiveness & connectivity of sewerage systems upgraded</p> <p> Electricity infrastructure protected (cable theft minimized) maintained & refurbished</p>				
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Strategic Objective 5: Stakeholder Relations

KPA 5: Improve stakeholder relations through engagements; public meetings; communications; plus a complaints & queries system

HOW? (Main projects /activities)	Outcomes: Year 1	Outcomes: Year 2	Outcomes: Year 3	Outcomes: Year 4	Outcomes: Year 5
5.1 Interest group engagements & public meetings	<p>Respective interest groups identified & engaged on a planned and scheduled basis</p> <p>Effective communication strategy developed & approved by Council</p> <ul style="list-style-type: none">  Communication strategy implemented  Meetings with identified groups held  Effective notice of meetings communicated  Minutes of meetings recorded  Agreements/resolutions implemented and/or followed-up  Effective ward committee meetings held quarterly at least 	Community members and interest groups are consulted, engaged and/or informed on all relevant development and service delivery issues.	Community members and interest groups are consulted, engaged and/or informed on all relevant development and service delivery issues.	Community members and interest groups are consulted, engaged and/or informed on all relevant development and service delivery issues.	Community members and interest groups are consulted, engaged and/or informed on all relevant development and service delivery issues.

5.3 Complaints & queries system	<p>A formal complaints system developed and implemented (48 hour response time)</p> <ul style="list-style-type: none"> ✚ Maintain a complaints & queries 'desk' at all municipal offices ✚ Complaints and/or queries processed effectively 	Complaints and/or queries processed speedily & effectively	Complaints and/or queries processed speedily & effectively	Complaints and/or queries processed speedily & effectively	Complaints and/or queries processed speedily & effectively

Strategic Objective 6: Increase revenues

KPA ^: Implement a strategy to increase the revenue base for the municipality to fund increased service delivery, including rates & service charges; grants and subsidies; donor funding; expense controls; value for money

HOW? (Main projects /activities)	Outcomes: Year 1	Outcomes: Year 2	Outcomes: Year 3	Outcomes: Year 4	Outcomes: Year 5







6.1 Rates & Service Charges	<p>Credit control policy and practices reviewed</p> <ul style="list-style-type: none"> Policy and implementation plan extensively communicated Policy implemented consistently across all wards Indigent register signed-off by respective ward councilors Bad debt write-off's justified at Council 	<ul style="list-style-type: none"> Rates and service charge revenue maximized within policy and procedures Indigent register reviewed and updated Bad debt write-off's reduced by 10% from Year 1 	<ul style="list-style-type: none"> Rates & service charge revenues maximized within policy & procedures Indigent register reviewed & updated Bad debt write-off's reduced by 10% from Year 2 	<ul style="list-style-type: none"> Rates & service charge revenues maximized within policy & procedures Indigent register reviewed & updated Bad debt write-off's reduced by 10% from Year 3 	<ul style="list-style-type: none"> Rates & service charge revenues maximized within policy & procedures Indigent register reviewed & updated Bad debt write-off's reduced by 10% from Year 4 i.e a total reduction of 40% from Year 1.
6.2 Grants, subsidies & donor funding	<p>Strategy developed to secure required funds from government grants & subsidies; development financing institutions and legitimate donor sources.</p> <ul style="list-style-type: none"> Motivations and integrated project plans for required funding 	<ul style="list-style-type: none"> Funding secured to meet IDP requirements for Year 2 	<ul style="list-style-type: none"> Funding secured to meet IDP requirements for Year 3 	<ul style="list-style-type: none"> Funding secured to meet IDP requirements for Year 4 	<ul style="list-style-type: none"> IDP for 2011-15 funded adequately

	<p>developed & submitted for approval by Council</p> <p>🚧 Approved motivations submitted to funding sources & process/es managed to completion</p>				
6.4 Expense controls	<p>Financial controls implemented that limit wasteful and irregular expenses</p> <p>🚧 Wasteful and irregular expenditure reduced by 50% from 2010/11</p>	<p>🚧 Wasteful & irregular expenditure reduced by 50% from 2011/12</p>	<p>🚧 Wasteful & irregular expenditure reduced by 50% from 2012/13</p>	<p>🚧 Wasteful & irregular expenditure reduced by 50% from 2013/14</p>	<p>🚧 Wasteful & irregular expenditure reduced by 50% from 2014/15</p>
6.5 Value for money	<p>Logistics chain management procedures reviewed to ensure maximum value for money spent</p> <p>🚧 Greater transparency in tender bid adjudication processes</p>	<p>🚧 Zero tolerance demonstrated by Council for tender & procurement corruption</p>	<p>🚧 All instances of tender & procurement corruption prosecuted in terms of the law</p>	<p>🚧 Zero tolerance for corruption demonstrated by Council</p>	<p>🚧 Zero tolerance for corruption demonstrated by Council</p>

Strategic Objective 7: Sustainable natural resource management

KPA 7: Effectively manage the sustainability of natural resources of the municipality, ie land, water, minerals, fauna & flora, taking cognizance of climate change challenges.

HOW? (Main projects /activities)	Implementation Steps Year 1	Time frames	By Whom	YEAR 1 PROOF	BUDGET
7.1 Strategy development & implementation	<p>Sustainable natural resource strategy and policies developed</p> <ul style="list-style-type: none"> Publication of strategy Implementation of strategy begun Implementation of standards and procedures ensuring compliance with legislated EIA requirements 	<ul style="list-style-type: none"> On-going implementation of strategy & policies EIA compliance in all environmental developments 	<ul style="list-style-type: none"> On-going implementation of strategy & policies, including EIA compliance 	<ul style="list-style-type: none"> Strategy & EIA adherence 	<ul style="list-style-type: none"> Natural resources managed on a sustainable basis for the benefit of all community members
7.4 Climate change	<p>Understanding of the possible effects of climate change on the TCLM established & managed</p> <ul style="list-style-type: none"> Stakeholders engaged in developing a response to climate change challenges and opportunities 	Responsive strategy to climate change implemented	Responsive strategy to climate change implemented	Responsive strategy to climate change implemented	Responsive strategy to climate change implemented

7.5 Water Resources	<p>Specific plan to address sustainability of the water resources of the municipality, taking cognizance of both upstream and downstream issues & factors, developed - incorporating existing scientific research relating to water and waterways</p> <p> Specific focus given to wetlands, including rehabilitation opportunities</p>	<p> Plan to establish mining, forestry and agricultural needs relating to water usage and waste water disposal developed</p> <p> Implementation of plan included in IDP review process</p>	<p> Implementation of water resource plan monitored & evaluated</p>	<p> Water resource plan reviewed</p>	<p> Water resources managed according to strategy, policies & plans</p>
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CHAPTER 2

HUMAN RESOURCES ANNUAL REPORT

2011/2012

1. INTRODUCTION

The municipality of Thaba Chweu Municipality Council has adopted the organizational structure under resolution A16/2008, in a meeting held in June 2008, the structure has been aligned to the Integrated Development Plan [IDP], under the custody of the Municipal Manager.

1.1 HUMAN RESOURCE MANAGEMENT

1.2 INFORMATION GATHERING AND SHARING KNOWLEDGE

Meetings of the Local Labour Forums.

Conduct Road shows and share information.

Conduct inductions and workshops to introduce new procedures, policies and legislative changes.

Attendance of SALGA meetings i.e. HR Practitioners forum.

Attendance of seminars conducted by IMPSA, IMASA to understand HR trends.

Attend information sessions at district and Provincial level.

Municipal policies, By-laws, SALGA circulars, legislations, Magazines, Seminars, workshops, internet [HR Future], Case studies, Research Reports are the main sources of information.

1.3 THE CHAMPION

The HR Division is managed by Acting HR Manager who is responsible and accountable for the division.

The Acting HR Manager is accountable to and report to the Director Corporate Services.

The Acting HR Manager is responsible and accountable for the performance of the division Human Resource management.

The Acting HR Manager is supported by the following team members:

- (a) Skills Development Facilitator- Mr. Madala C. Mashego who is also responsible for training and development Programme.
- (b) Labour Relations and Employee Wellness- Ms. Rose-Mary Williams responsible for handling workplace disputes and ensure the implementation of employee wellness.
- (c) Personnel officers- Mrs. C.G. Dippenaar, Ms E.N. Ngwane and Mrs. E.H.C. Doyle are responsible for handling personnel management and provision.

(d)Occupational Health and safety officer-(vacant) handling all matters related and in accordance to the requirements of OSH Act.

2. MUNICIPAL STRUCTURE: POSTS AND VACANCIES

	Department and Divisions	Positions	Filled	Vacant
1.	Municipal Manager	21	10	11
2.	Financial Viability-CFO and Admin	2	2	0
2.1	Revenue Management (Expenditure)	23	12	11
2.2	Debtor Management (Revenue)	48	35	13
3.	Corporate Services	2	2	0
3.1	Administration	53	34	19
3.3	Legal & Property	3	2	1
3.3	Human Resources	14	6	8
3.4	Housing	15	10	5
4.	Technical and Engineering			
4.1	Administration	4	4	0
4.2	Civil & Works	98	50	42
4.3	Project management unit (PMU)	5	2	3
4.4	Electrical	38	22	16
4.5	Water and sanitation	92	53	39
4.6	Mechanical & Fleet Management	8	4	4
4.7	Town Planning	9	3	6
5.	Social Development			
5.1	Administration	4	3	1
5.2	Waste Management	110	30	80
5.3	Traffic service	29	20	9
5.4	Licensing Service	25	9	6
5.5	Parks & Cemeteries	32	14	18
5.6	Fire and rescue	6	4	2
5.7	Business Control	1	1	0
5.8	Library	16	12	4
5.9	Museum	2	2	0
5.10	Clinics(Primary health Care)			
6.	Economic Development and Planning			
6.1	Resort and Caravan Park	26	23	3
6.2	LED/IDP	3	1	2

Vacancies budgeted (2011-2012)

	Department and Divisions	Positions
1.	Municipal Manager	3
2.	Financial Viability-CFO and Admin	
2.1	Revenue Management(Expenditure)	4
2.2	Debtor Management(Revenue)	3
3.	Corporate Services	
3.1	Administration	1
3.2	Legal & Property	0
3.3	Human Resources	1
3.4	Housing	2
4.	Technical and Engineering	
4.1	Administration	1

4.2	Civil & Works	15
4.3	Project management Unit(PMU)	2
4.4	Electrical	5
4.5	Water and Sanitation	9
4.6	Mechanical & Fleet Management	0
4.7	Town Planning	2
5.	Social Development	
5.1	Administration	0
5.2	Traffic Service	5
5.3	Licensing Service	1
5.4	Parks & Cemeteries	1
5.5	Fire and Rescue	10
5.6	Waste Management	1
5.7	Business Control	0
5.8	Library	1
5.9	Museums	0
5.10	Clinic (Primary health Care)	0
6.	Economic Development and Planning	
6.1	Resort and Caravan Park	0
6.2	LED/IDP	0

3. RECRUITMENT AND SELECTION

The recruitment process used by Thaba Chweu municipality is a consultative and incorporate process. A request to fill a vacant position is received from the relevant Senior Manager; this request indicates all the necessary information pertaining to the post in terms of post requirements. Once the request is approved, by the Municipal Manager, the position is advertised by the HR Division. On receipt of applications, the Records Office registers all applications on the recruitment sheet. Human Resources does the initial sorting of applicants. A short list is compiled by the relevant department for final approval. Once this is completed, the interview is arranged and conducted with the applicants. The interviewing panel consists of delegates from Human Resources Division, the relevant Department and Union representatives as observers not less than 5 panel members' not more than 12 panel members.

4. EMPLOYMENT EQUITY

In compliance with the Employment Equity Act, Act 55 of 1998, Thaba Chweu Local Municipality developed an Employment Equity Policy and five year Employment Equity Plan are annually reported to the Department of Labour as contemplated in the Act. All Senior Managers are responsible to ensure that the policy and the plan are implemented consistently without compromise.

CURRENT EMPLOYEES PROFILE: CORE & SUPPORT FUNCTIONS

OCCUPATIONAL LEVEL	MALE				FEMALE				Foreign nations		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	3	0	0	1	1	0	0	0	0	0	5
Senior Management	5	0	0	0	0	0	0	0	0	0	15
Professionally qualified and experienced specialists and mid-management	34	2	0	16	22	2	1	8	0	0	85
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	47	2	0	4	29	6	0	2	0	0	90
Semi-skilled and discretionary decision making	21	0	0	2	3	3	0	1	0	0	27
Unskilled and defined decision making	152	9	0	2	55	55	0	0	0	0	220
TOTAL PERMANENT	262	13	0	30	113	113	1	13	0	0	442
Temporary employees	22	0	0	2	11	11	0	1	0	0	37
GRAND TOTAL	284	13	0	32	124	11	1	14	0	0	479

5. INDUCTION

Newly appointed employees need to be informed as to how the municipality operates and what its core responsibilities are. Therefore it is of vital importance that they be introduced to processes, procedures and be given important information which is relevant to their functioning within the structure. By following a process of induction these new employees are introduced to the organizational culture and functions on the first day of engagement, new employees complete all necessary documentation needed for administration purpose and also given policies and documentation which includes the Conditions of Service, Job Description, Code of Conduct and Disciplinary Code, compiled an HR Induction Manual.

6. SKILLS DEVELOPMENT

The annual training budget is centralized and managed by Human Resources, the annual training budget was spent in 2009/2010.

Grants (mandatory) for the financial year 2009/2010 have been received from LGSETA.

Training Conducted

- Disciplinary training

- Traffic Diploma
- Financial Management – Accounting
- Electrical apprenticeship funded by DBSA
- Electrical training funded by LGSETA

PERSONNEL TRAINED: 2011/2012

Occupational Levels	Male				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Top Management	1	0	0	0	1	0	0		2
Senior Management	0	0	0	0	0	0	0	1	1
Professionals, Permanent	3								3
Professionally qualified and experienced specialists and mid-management	6	0	0	0	1	0	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintends	15	0	0	2	13	1	0	0	31
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	22	0	0	2	15	1	0	1	41
TEMPORARY EMPLOYEES	2	0	0	2	17	1	0	1	45
GRND TOTAL	24	0	0	2	17	1	0	1	45

(a) INTERNSHIP

- Thaba Chweu municipality hosted Community Development Workers Programme funded by ETDSETA.
- Four finance internship funded by Department of Finance(National Treasury)

Apprenticeship

- 13 electrical apprenticeship funded by DBSA
- Main aim is to prepare apprentice to working environment and prepare them to be electricians.
- 235 EPWP appointed for the financial year 2012/13.

(b) BURSARY SCHEME

Thaba Chweu municipality has approved bursary policy to provide employees with opportunity to further their formal studies through a vibrant bursary scheme, unfortunately due to budget constraints no bursary was awarded during 2011/12 financial year

(c) SKILLS EFFICIENCY ANALYSIS

Through this process, skills gaps of the employees were identified which resulted in the provisions of structured learning initiatives by the municipality. Further from that, this analysis process will assist Thaba Chweu by:

- Establishing a culture in individuals and departments take responsibility for the development of individuals.
- Assisting employees to understand their individual and team role in meeting our objectives.
- Assisting employees to be developed and to perform their duties more effectively.
- Assisting employees to identify their own shortcomings in terms of their job descriptions and suggesting the correct development strategies for such employees needed to deliver on key performance area.

7. PERSONNEL PROVISIONING: BENEFITS

The following benefits are available to all employees

Benefits	Comments
Medical Aid Scheme at 60% contribution by the municipality	Munimed-Key Health SMWUMED LA Health Bonitas Hosmed: Employees contribute 40%
Pension Fund at 22% contributed by the municipality which further provides funeral cover for employees family	MGF(Municipal Gratuity Fund) MEPF(Municipal Employees Pension Fund) SNPF(Samwu National Provident Fund) SALA Pension Fund JMEPE(Joint Municipal Employees Pension Fund) All pension funds have their rules in accordance to the Pension Fund Act, to handle retirement, ill-health, death, resignation.
Housing Subsidy	Contemplated in the collective agreement and formula is quarterly reviewed by SALGA through issue of circular and forms part of the wage negotiations package at South A FRICA Local Government Bargaining Council (SALGBC)

7.1. EMPLOYEE WELLNESS PROGRAMME

Thaba Chweu Local municipality established a dedicated HIV and AIDS Committee in the workplace, constituted by the employer representatives and the unions representatives from

both SAMWU and IMATU, championed by the Manager HRM, whose main objectives is to promote the wellbeing of employees by providing with the information of employees various health and wellness issues but focusing mainly on HIV and AIDS and related illnesses.

This focus revolves around the following key elements of an Employee Wellness:

- To be responsible for the Health & Wellbeing through: awareness programmes, education, training, referral of employees, etc.
- Programmes hosted by the HIV & AIDS workplace committee included a Wellness Day. Services included blood pressure, cholesterol, blood glucose and eye tests. Voluntary counseling and testing to employees who wish to know their HIV status. The effort was in the line with the national Aids strategy. Some of the main aims were prevention and cure as well as overall wellness awareness.

In line with the wellness of employees, Thaba Chweu municipality Workplace HIV & AIDS Committee will be embarked on an Anonymous HIV Testing Campaign, aimed at obtaining the infection statistics of Thaba Chweu municipal Employees.

7.2. EDUCATION AND INFORMATION

Thaba Chweu Local municipality inculcated a culture of information-sharing with the general workforce through:

- Roadshows
- Workshops
- Briefing sessions
- Meetings
- News Bulletins
- Face to Face contact

8. HR INVOLVEMENT IN THE COMMUNITY

Poverty alleviation programmes include:

- Appointment for entry level positions (especially temporary) workers identified by Ward Councilors.
- Thaba Chweu municipality also offers student practical opportunities during school holidays or when deemed necessary as contemplated in the Volunteerism/Internship Policy of the municipality.
- Thaba Chweu LM has set up suggestions boxes for the community to critic or makes submission to the relevant department.
- In calculating the culture of Customer Care to our employees through information sharing session and to translate Batho Pele Principles and the set of believes into practice.

9. POLICY PROGRAMMES AND PLANNING

The following policies were drafted for the review and approval of Council in 2011/12:

- Creditors Procedure Manual and Creditors Payments Policy
- Indigent Policy
- Leave Policy

- Museum & Game Reserve Policy
- Public Open Space
- HIV/AIDS Policy
- Naming and renaming of Street, public Places e.tc
- Supply Chain Policy
- Integrated waste management
- Communications and Marketing Policy
- Cemeteries
- codes of conduct for ward committee members

Function: Executive and Council
Sub Function: N/A

Reporting Level	Detail	Total	
Overview:		Policy and Decision Making	
Description of the Activity:	<p>The municipality has a mandate to: <i>Govern.</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Serve the Community</i></p> <p>The key issues for 2011/12 are: <i>Render a basic service to the community</i></p>		
Analysis of the Function:	<u>Councillor detail:</u>		
	Total number of Councillors	27	
	Number of Councillors on Mayoral Committee	4	
	<u>Ward detail:</u>		
	Total number of Wards	14	
	Number of Ward Meetings	0	
	Number and type of Council and Committee meetings:		
	<i>Council</i>	10	
	<i>Mayoral Committee</i>	4	
	<i>Portfolio Committee</i>	5	

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
		No Performance Management System during Financial year 2011/12	

CHAPTER 3
PERFORMANCE HIGHLIGHTS
2011/2012

OBJECTIVES

The mission will be accomplished by the following objectives:

- Provision of affordable potable
- Provision of efficient and effective sanitation services
- Construction and maintenance of appropriate level of storm water system
- Provision, maintenance and safe operation of electricity service
- Provision of high level of town planning services, including building control functions
- Establishment and implementation of an effective Project Management Unit

KEY PERFORMANCE AREA

- Water infrastructure provisioning, bulks supply, purification and distribution
- Sanitation infrastructure, reticulation and purification
- Roads provisioning and maintenance
- Storm water provision and maintenance
- Electricity infrastructure, distribution and maintenance
- Town planning and building control
- Management and implementation of capital projects

KEY PERFORMANCE AREAS

- Water infrastructure provisioning, bulk supply, purification and distribution,
- Sanitation infrastructure, reticulation and purification,
- Roads provisioning and maintenance,
- Storm water drainage provisioning and maintenance,
- Electricity infrastructure, distribution and maintenance,
- Town planning and building control,
- Management and implementation of an capital projects.

ACHIEVEMENTS

Water

- Maintained a relatively high level of water services,
- The quality of potable water reticulated met the quality requirement for domestic supplies not all occasions tested,
- The water backlog is standing at 16% as baseline study conducted by MKS Management Services in 2008 indicates,

- Master plan on water was done by the Steward and Scott International in 2008 and currently under review
- A Water Service Development Plan (WSDP) is being revised by specialist, they have been instructed by Department of Water Affairs to review the previous WSDP.
- Ground Water Protocol had also been carried out by Bhutana Earth Scientists in May 2009,
- Policy on bulk services contribution had been completed and to be implemented,
- Water services development at Extension 6 was partly carried on 475 ervens but stalled after Mpumalanga Finance Housing Cooperation (MFHCO) was dissolved,

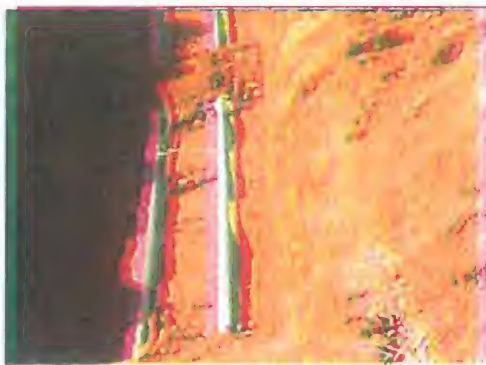


Figure 3 New water pipe installed in Shaga

Sanitation



Figure 4 New VIP toilets in Leroro

- The level of services on sanitation in all formal areas is of high standard where waterborne sewage system is in place,
- The backlog in sanitation is standing at 39% as indicated in baseline study conducted by MKS Management Services in 2008,

- The sanitation at rural areas is well beyond standard but through the MIG grants, applications (business plans prepared and submitted and partially approved) had been made to solve this problem.
- Implementation plans for 2011/12, of which MIG Business Plans had been approved, the following rural areas: Glory Hill (Graskop), Hostel Informal Settlement (Graskop), Pilgrims Rest, Ponieskrantz (Pilgrims Rest), Brondal, Badfontein, Boomplaats, Boschhoek Farm, Draaikraal, Shaga Farm (Maartenshoop), Versailles, Matibidi, Leroro, Moremela and Hendriksdal are going to benefit for rural sanitation programme, at a cost of R11 976 324.
- The Ground Water Protocol carried out by Bhutana Earth Scientists in May 2009 will also help in the implementation of the rural sanitation because most projects could not be carried out because of the concern by the Department of Water Affairs on pollution of underground water by construction of ventilated improved pit latrines (VIPs).

Electricity

- The Thaba Chweu Municipality has maintained a level of service on electricity provision, especially in the licensed areas in all formal areas (townships and towns). The rural areas are mainly supplied by Eskom,
- The backlog in electricity is standing at 14.2% as indicated in baseline study conducted by MKS Management Services in 2008,
- The Public Private Partnership (PPP) has resulted in the construction of Rooidraai Substation, which has been completed and will be commissioned as funds had been sourced. This substation will help in the problem of outages in the Lydenburg/Mashishing areas.
- DBSA loans are still being sourced out to help with the electrification of some RDP houses around the Thaba Chweu Municipality area.
- 2011/12 Coromandel installation of Street light cost 355 48200 and Mashishing Ext 2 installation of street light cost R 555 820 00
- 233 households has been completed in Sabie, Graskop and Mashishing



Figure 5 Streetlight in Coromandal Farm

Roads

- The Thaba Chweu Municipality has maintained roads to acceptable level of service through minimal financial resources due to lack of funds,
- Lack of internal funds on part of Thaba Chweu Municipality has resulted in most projects put on hold,
- Master plan on roads still need to be reviewed,
- All roads at the Heads development had been completed,
- Mashishing Extension 6, construction of new roads stalled due to the fact that Mpumalanga Finance Housing Cooperation (MFHCO) was dissolved, and currently the project is under review for implementation.
- Through MIG funding, the upgrading of Voortrekker Street in Lydenburg (which is link between Mashishing and the Central Business District (CBD) was done at a cost of ± R10 million on 2009/10 and 2010/11 financial years, the project is complete
- Roads were partially repaired in Lydenburg and Sabie
- Technical reports for all backlogs at the Municipality are being done.

Storm Water

- The Thaba Chweu Municipality has maintained storm water drainage to acceptable level of service through minimal financial resources due to lack of funds,
- Storm water drainage in the Lydenburg CBD had been cleaned as well as in Sabie and Graskop,
- Lack of internal funds on part of Thaba Chweu Municipality has resulted in most projects put on hold,

Town Planning

- The Thaba Chweu Municipality Town Planning Section, at the Directorate Technical and Engineering Services is responsible for all township establishment applications, rezoning, sub-divisions and consolidations and the position is been filled.

Project Management Unit (PMU)

- The unit is presently functioning with a Manager and other complementary officials will be employed after skills audit had been carried by the Thaba Chweu Municipality,
- All MIG projects and applications mentioned above are managed by this unit.



Figure 6 New Water reservoir in Moremela

CHALLENGES

- The current growth patterns in Thaba Chweu has resulted in water demand being a huge problem.
- The rural area has continuously experiencing mechanical breakdown which hampered with water supply effectively and this has led to investigating alternative.
- The supply of electricity in Lydenburg/Mashishing will still be concern due to developments happening at a large scale around the area, mines and businesses being opened,
- The reviewal of electricity master plan is under review.
- The Spatial development Framework (SDF) was revied but not completed and assistance has being offered by Gogta to finalize the process,
- Most of the existing infrastructure need to be upgraded and replaced in order to continue with proper service delivery and the following need to be carried out:
 - i) Electricity overhead lines refurbishment,
 - ii) Electricity poles replacement,
 - iii) Electricity switch gear improvement,
 - iv) Old asbestos water pipes replacement,
 - v) Water and sewer pipes refurbishment,
 - vi) Concrete storm water pipes refurbishment,
 - vii) Road refurbishment,
 - viii) Sewer refurbishment,
 - ix) Storm water drainage refurbishment.
- Most vehicles and plant are very old and need to be replaced,
- Vacant critical post are still vacant.

CHAPTER 4 FINANCIAL STATEMENTS

OFFICE OF THE CHIEF FINANCIAL OFFICER

FINANCIAL VIABILITY REPORT – JUNE 2012

PURPOSE

The purpose of the report is to provide an oversight of the performance of the financial Department.

STRATEGIC OBJECTIVES

This report addresses the strategic objective of "Ensuring good governance and financial viability with capacity to execute its mandate".

PERFORMANCE HIGHLIGHTS

Human Resources management

The planned employee costs for the period ended 30 June 2012 was R 91 688 523 whilst the actual expenditure was R 98 357 388. This is 6.78% lower than planned. The municipality has improved in filling vacant position hence the increase from the previous financial year by 20%.

Systems Support

The total Financial System and IT of the municipality will be reviewed as part of the turnaround strategy.

3.3 Operating Revenue and Expenditure

The table below reflects the Statement of Financial Performance for the period ended 30 June 2010. The actual revenue and expenditure exclude revenues and expenditures relating to MIG projects as these are reported on separately.

PURPOSE

The purpose of the report is to provide an oversight of the performance of the Financial Department.

STRATEGIC OBJECTIVES

This report addressed the strategic objective of "Ensuring good government and financial viability with capacity to executive its mandate"

PERFOMANCE HIGHLIGHTS

Human Recourse Management

The planned employee cost for the period ended June 2012 was R 99 526 772 whist the actual expenditure was R 85 972 876

ICT SYSTEM

Systems Support

- The Financial system and IT of the municipality has been reviewed. Below is the steps/response by national treasury to be implemented in accordance to circular no 57 before the system can be changed.
- The appointment of a permanent chief financial officer in compliance with the MFMA competency regulations. This is informed by the fact that the CFO is ultimately responsible for the financial system and should be involved in the SCM process.
- The necessary processes and the internal controls are put in place to ensure the stability of the current management system and operations thereof.
- Capacity of the current staff in the Budget and Treasury office is increased by filling any critical vacancies with competent incumbents. The current staff complement must be appropriately trained and capacitated in aspects of financial management as they relate to the current financial system.
- As an alternative, SEBATA's deploys resources to the municipality to affect functionality of the current system and ensure the staff is capacitated by skill transfer and empowerment. This arrangement would have to be for a limited period and the engagement framework needs to include clear objectives and timeframes within reasonability.
- A service level agreement (SLA) is concluded between the municipality and the service provider (SEBATA) that defines the roles and responsibilities of each party, the level at which this service is expected to be delivered and recourse in the event of deviation from the SLA. The parties should have regular meetings which are formally 56
- recorded inclusive of any action list with allocated responsibilities.
- A system administrator be identified within the Finance Department tasked with the responsibility of managing the operational activities of the financial application as informed by the SLA.
- The municipality initiates a formal engagement between the IT service provider, namely Brilliant Telecommunications (Pty) Ltd and SEBATA to ensure appropriate segregation of responsibilities and effective functionality of the financial system. This will have to be accompanied by a SLA between the parties which define clear roles and responsibilities and any existing gaps to be addressed by an addendum to the existing contracts.
- It be reconsidered to retain the remote backup (SEBATA connect) that was recently cancelled in mitigation of the risk associated with the current manual backup procedure applied by the municipality.
- As advised by the financial advisor to the municipal manager, a meeting is scheduled by the latest 30 June 2012 to reconstruct the general ledger to accommodate the GFS classification. This will enable the functionality of the NT reporting tool current available in the SEBATA financial system.
- The municipality must regularly attend the user groups hosted by SEBATA to give inputs on new developments, request training and learn from other municipalities in the province such as Victor Khanyane Local Municipality operating on the same financial system. This municipality received unqualified audit opinions for the last four years.

- The total financial system and information Technology of the Municipality was reviewed and continues to be monitored as part of ongoing turnaround strategy.

Operating Revenue and Expenditure – Summary for year ended 30 June 2012.

DETAILS	ADJUSTMENTS BUDGET 2011/12	ACTUALS TO 30 JUNE 2011/12	% VARIANCE
	R	R	%
Total Revenue	282 694 353	272 186 779	98
Total Expenses	266 486 525	301 836 798	114
Net /Profit/(Deficit)	16 207 828	(32 650 019)	201

There was R 4 481 395 under-recovery of income and a R 32 259 139 under spending on expenditure.

The under-recovery was mainly on the sale of land.

Operating Expenditure by source for the year ended 30 June 2012.

DETAILS	ADJUSTMENTS BUDGET 2011/12	ACTUALS TO 30 JUNE 2011/12	VARIANCE TO BUDGET
	R	R	R
Labour expenses	98 357 388	91 688 523	6 668 865
Remuneration to Councillors	3 726 659	7 261 687	(3 535 028)
General expenses	75 698 914	93 241 032	(17 542 118)
Interest Expense/Finance Coast	2040 000	3 375 727	(1 335 727)
Capital expenditure	24 715 000	3 233 846	21 481 154
Bulk Purchasers	84 886 814	96 206 488	(11 319 674)
Total	295 524 373	331 526 798	(36 002 425)

All expenditure the municipality had control over are less than budget.

FINANCIAL RESOURCE MANAGEMENT

Investments

Description	Current year June 2012	Prior year June 2011
-------------	---------------------------	-------------------------

	R	R
Listed	1 057 067	986 0871
Pledged Investments	8 304 202	6 640 297

The Galaxy Portfolio service where written off due to lack of sufficient information to back up the investment.

The long term deposit represent an initial R 845 which was invested with the public investment commission in 1993 as a loan redemption fund and stand as security deposit initial deposit of R 845 000 which was invested with the Public Investment Commission in 1993 as a loan redemption fund and stand as security for the repayment of local stock loan number E30 of R 8 910 000 which matures in 2014.

An investment policy is in place, which meets the requirements of the MFMA and is consistent with the Municipal Investment Regulations issued by National Treasury no R.308 of 01 April 2005.

5.2 External loans

Description	Current year June 2010	Prior year June 2009
	R	R
Local registered stock	8 910 000	8 910 000
INCA	507 495	507 485

The local registered loan is repayable in 2014 from the proceeds of the long term deposit (see 5.1 above). Currently only the interest portion is payable. The average interest payable on these is 13.61%.

CONSUMER DEBTORS

Consumer debtors that are outstanding for 90 days and more are getting worse, as indicated by the following table.

Table: Consumer Debtors Age analysis:

	Current year June 2011/12	Prior year June 2011/12
	R	R
Current	646 943	8 850 505
60 days	622 922	5 051 024
90 days	538 367	6 829 206
90 days and over	22 692 679	49 209 206
Total	84 588 109	69 940 457

Debtors by consumer group:

	Current year June 2010	Prior year June 2009
	R	R
Government	830 081	(422 414)

Business	31 855 661	-
Households	52 834 225	70 362 871
Other	728 304	-
Total	84 588 109	69 940 457

Indigent debtors are included in the above figures.

Business Debtors has increased from nil to R 31 855 661 at year end June 2012 and household debtors have decreased by R17 528 648. The overall debtors' collection has decreased by 20.9% from the previous financial year.

GRANTS

7.1 Other Grants

	Received	Spent	Balance
	R	R	R
MIG	26 690 000	25 678 623	1 011 376
Finance Management Grant	1 250 000	950 000	300 000
MSIG	790 000	699 903	90 096
Equitable Share	64 337 000	64 337 000	-
Intergraded National Electrification Prog Grant	1 442 400	1442 4000	-
Water Service Operating Subsidy Grand	662 000	662 000	

An Application for rollover of the remaining balance on all the conditional grants has been approved by National Treasury

THE AUDITOR GENERAL REPORT

2011/12



THABACHWEU LOCAL MUNICIAPLITY



AUDITOR-GENERAL
SOUTH AFRICA

The accounting officer
Thaba Chweu Local Municipality
PO Box 61
Lydenburg
1211

14 December 2012

Reference: 02274REG11/12

Dear Sir

Report of the Auditor-General on the financial statements and other legal and regulatory requirements of Thaba Chweu Local Municipality for the year ended 30 June 2012

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act of South Africa read in conjunction with section 188 of the Constitution of the Republic of South Africa section 121(3) of the Municipal Finance Management Act of South Africa (MFMA)
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements and the reported performance against pre-determined objectives. You are requested to supply this information as soon as possible. Once this information is received it will be read and should any inconsistencies be identified these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. In terms of section 121(3) (municipality); 121(4) of the MFMA you are required to include the audit report in the local municipality's annual report to be tabled.
4. **Until the annual report is tabled as required by section 127(2) of the MFMA the audit report is not a public document and should therefore be treated as confidential.**
5. Prior to printing or copying the annual report which will include the audit report you are required to do the following:
 - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
 - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.

Leadership

- 81. Oversight responsibility was not exercised regarding financial and performance reporting and compliance and well as related internal controls.
- 82. Effective human resource management was not implemented to ensure that adequate and sufficiently skilled resources were in place and that performance was monitored.
- 83. Policies and procedures that enable and support the understanding and execution of internal control objectives, processes and responsibilities had not been adequately established and communicated to staff.
- 84. The action plan was not adequately developed and monitored to address internal deficiencies.
- 85. An information technology governance framework was not established to support and enable the business, deliver value and improve performance.

Financial and performance management

- 86. Controls over daily and monthly processing and reconciling of transactions were not implemented.
- 87. Management did not review and monitor compliance with laws and regulations.
- 88. Management did not prepare regular, accurate and complete financial and performance reports that were supported by reliable information.

Governance

- 89. The internal audit function did not conduct reviews of performance information systems.
- 90. The audit committee did not fully discharge its mandate as required by the MFMA.

AUDITOR - GENERAL

Nelspruit

30 November 2012



**AUDITOR - GENERAL
SOUTH AFRICA**

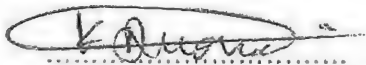
Auditing to build public confidence

6. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
7. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

Signed



Senior Manager: Mpumalanga

Enquiries: Kgabo Komape

Telephone: (013) 756 0800

Fax: (013) 756 0879

6. A council resolution was taken during the financial year to write off bad debts to the amount of R3 430 060, but the municipality did not recognise bad debts in the statement of financial performance. Consequently, the amount for bad debt is understated by R3 430 060 and trade and other receivables are overstated by R3 430 060.
7. A disclaimer of opinion was issued on the prior year's financial statements. I was unable to determine the extent of the effect of these limitations on the statement of financial position balances at 30 June 2012, and the results for the year then ended.

Other current financial assets

8. I was unable to obtain sufficient appropriate audit evidence for other current financial assets amounting to R12 197 150, as disclosed in note 4 to the financial statements. I was unable to confirm the disclosed figure by alternative procedures. Consequently, I was unable to confirm the completeness, existence, rights and valuation of other current financial assets.
9. A disclaimer of opinion was issued on the prior year's financial statements. I was unable to determine the extent of the effect of these limitations on the statement of financial position balances at 30 June 2012, and the results for the year then ended.

Property, plant and equipment

10. The municipality could not provide sufficient appropriate audit evidence to support the adjustments made to infrastructure assets amounting to R6 414 102, included in the fixed asset register and the financial statements. The municipality's records did not permit the application of alternative procedures.
11. I was unable to obtain sufficient appropriate audit evidence for the disposal of other movable assets with a carrying value of R6 240 764. The municipality's records did not permit the application of alternative procedures. Consequently, I was unable to confirm the occurrence, accuracy and completeness of the disposal disclosed in note 7 to the financial statements.
12. I was unable to verify the existence of property, plant and equipment amounting to R1 356 684. The municipality's records did not permit the application of alternative procedures. Consequently, I could not obtain sufficient appropriate audit evidence to confirm the existence of the closing balance of property, plant and equipment amounting to R961 520 267 (2011: R1 603 120 976), as disclosed in note 28 to the financial statements.
13. The municipality did not comply with GRAP 3, as they did not account for the change in accounting policy by adjusting the financial statements retrospectively. The misstatement resulting from the non-compliance could not be determined, as the municipality's records did not permit the application of alternative procedures. Consequently, I could not determine the effect of the adjustments.

14. In terms of Directive 7 of the Accounting Standards Board, the municipality may determine the deemed cost for the assets acquired prior to March 2009. The municipality determined the deemed costs for all assets, including those purchased after March 2009. Consequently, property, plant and equipment amounting to R961 520 267 (2011: R1 604 120 976), as disclosed in note 7 to the financial statements, is misstated. I was unable to obtain the necessary information as to the valuation of the disclosed property, plant and equipment. The municipality's records did not permit the application of alternative procedures.

Investment property

15. I was unable to obtain sufficient appropriate audit evidence for investment property amounting to R149 388 200, as disclosed in note 35 to the financial statements. Consequently, I was unable to determine the completeness, valuation, right and existence of investment property. The municipality's records did not permit the application of alternative procedures.

Trade and other payables

16. The municipality did not recognise a liability for agency fees to be paid over to the Department of Public Works, Roads and Transport. Consequently, trade and other payables are understated by R11 589 372 and income from agency fees is overstated by R11 589 372.

Creditors' unallocated deposit

17. I was unable to obtain sufficient appropriate audit evidence for creditors' unallocated deposits amounting to R9 854 158, as presented in the statement of financial position. Consequently, I was unable to confirm the completeness, obligation, existence and valuation of the creditors' unallocated deposit. The municipality's records did not permit the application of alternative procedures.

Provision for leave

18. The municipality's records for the provision for leave were inaccurate, as employees who were no longer in the service of the municipality appeared on the list and the provision was for days in excess of 48 days, contrary to the requirements of the South Africa Local Bargaining Council. Therefore, I could not confirm the accuracy of the amount stated at R6 994 448 in note 12 to the financial statements.

Revenue

19. Section 125(2)(d)(i) of the MFMA states that the notes to the annual financial statements of a municipality must disclose particulars of any material losses. The municipality did not disclose distribution losses with regard to water and electricity due to inadequate control measures to reliably calculate these losses. I was unable to determine the total extent of the understatement of distribution losses, as sufficient appropriate audit evidence could not be obtained. There were no alternative audit procedures that I could perform to obtain reasonable assurance that material losses had been properly recorded.

20. The municipality did not accrue invoices for water and electricity billed to consumers for June 2012. Consequently, I was unable to determine the completeness and accuracy of water and electricity sales amounting to R97 962 521, as disclosed in note 16 to the financial statements.
21. The municipality did not provide sufficient appropriate audit evidence to support revenue from prepaid electricity included in the amount of R73 607 954. The amount of prepaid electricity was also not proportionately split to show the portion not yet used at year-end. The municipality's records did not permit the application of alternative procedures. Consequently, I was unable to determine the accuracy and completeness of the sale of electricity amounting to R73 607 954, as disclosed in note 16 to the financial statements.

Government grants and subsidies

22. The municipality is required to recognise revenue from conditional grants when conditions are met. The municipality recognised revenue amounting to R11 009 582 before conditions were met. Therefore, government grants and subsidies, as disclosed in note 20 to the financial statements, are overstated by R11 009 582 and unspent conditional grants are understated by R11 009 582.

Employee related costs

23. I was unable to obtain sufficient appropriate audit evidence for allowances disclosed in note 22 to the financial statements amounting to R6 364 413. Consequently, I was unable to confirm the occurrence and accuracy of the allowances disclosed. I was unable to perform alternative procedures.

Grants and subsidies paid

23. In terms of the framework for the preparation and presentation of financial statements, an asset is recognised in the statement of financial position when it is probable that the future economic benefits or service potential will flow to the entity and the asset has a cost or value that can be measured reliably. The municipality incurred capital expenditure in relation to the purchase of assets amounting to R32 588 098. This expenditure was accounted for under grants and subsidies paid in the statement of financial performance. Therefore, grants and subsidies paid are overstated by R32 588 098, while property, plant and equipment is understated by R32 588 098.

Provision for landfill site

24. In terms of GRAP 17, the cost of an item of property, plant and equipment includes the initial estimate of costs for rehabilitating landfill sites. The municipality disclosed the provision for the rehabilitation of the landfill site, but the debit was included in the statement of net assets instead of increasing the cost of property, plant and equipment. Therefore, property, plant and equipment is understated by R6 302 474 and the accumulated surplus is overstated by R6 302 474.
25. A disclaimer of opinion was issued on the prior year's financial statements. I was unable to determine the extent of the effect of these limitations on the statement of net assets at 30 June 2011, and the results for the year then ended.

Cash flow statement

26. I was unable to obtain appropriate audit evidence to confirm the accuracy of the non-cash adjustment of R4 058 433 included in the cashflow statement . The municipality's records did not permit the application of alternative procedures. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the accuracy of non-cash adjustments.

Commitments

27. The municipality did not disclose commitments in the notes to the financial statements, as required by GRAP 1. Unrecognised contractual commitments amounting to R42 568 557 were identified during my audit. I was unable to obtain sufficient audit evidence to confirm the completeness of unrecognised contractual commitments. The municipality's records did not permit the application of alternative procedures.

Contingent liabilities

28. I was unable to obtain sufficient appropriate audit evidence relating to contingent liabilities amounting to R32 780 520. The municipality's records did not permit the application of alternative procedures. Therefore, I could not satisfy myself as to the valuation, obligation, existence and completeness of contingent liabilities amounting to R59 811 402 as disclosed in note 33 to the financial statement.

Irregular expenditure

29. The municipality did not disclose irregular expenditure of R21 014 911 identified during the audit. Therefore, irregular expenditure, as disclosed in note 30 to the financial statements, is understated by R21 014 911.

Unauthorised expenditure

30. The municipality did not disclose unauthorised expenditure in the notes to the financial statements, as required by section 125(4)(a) of the MFMA. The municipality incurred expenditure amounting to R5 715 648 on the expanded public works programme, which was not budgeted for. I was unable to obtain sufficient appropriate audit evidence to confirm the completeness of unauthorised expenditure. The municipality's records did not permit the application of alternative procedures.

Aggregation of immaterial uncorrected misstatements

31. The financial statements as a whole are materially misstated due to the cumulative effect of numerous individually immaterial uncorrected misstatements in the following elements making up the statement of financial position, the statement of financial performance and the notes to the financial statements:
- Current assets reflected as R1 180 940 387 are overstated by R616 382
 - Current liabilities reflected as R1 890 962 296 are understated by R929 273
 - Expenditure reflected as R375 314 987 is understated by R2 527 474
 - Fruitless and wasteful expenditure reflected as R3 671 415 is understated by R138 254.

Disclaimer of opinion

32. Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

Additional matter

33. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary information

34. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

35. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

36. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages xx to xx of the annual report.
37. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned development objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury's *Framework for managing programme performance information (FMPPi)*.
38. The reliability of the information in respect of the selected development objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
39. The material findings are as follows:

Usefulness of information

Presentation

40. Improvement measures in the annual performance report for all planned targets not achieved were not disclosed as required by section 46 of the Municipal Systems Act. This was due to inadequate internal policies and procedures over the processes pertaining to the reporting of performance information.

Consistency

41. Section 41(c) of the MSA requires that the integrated development plan should form the basis for the annual report, therefore requiring the consistency of objectives, indicators and targets between planning and reporting documents. The following shortcomings were noted in this regard:
- A total of 77% of the reported objectives were not consistent with the objectives as per the approved integrated development plan. This was due to a lack of a performance management system.
 - A total of 97% of the changes to objectives were not approved and 100% of the changes to indicators were not approved.
 - A total of 92% of the reported indicators were not consistent with the indicators as per the approved integrated development plan. This was due to a lack of a performance management system.
 - A total of 85% of the reported targets were not consistent with the targets as per the approved integrated development plan. This was due to a lack of a performance management system.

Measurability

42. The FMPPI requires that it must be possible to validate the processes and systems that produce the indicator. All indicators relevant to the provision of basic water supply, roads and storm water, sanitation and electricity were not verifiable in that valid processes and systems that produce the information on actual performance did not exist. This was due to a lack of a performance management system for the collection of actual performance information.

Compliance with laws and regulations

43. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA are as follows:

Annual financial statements, performance report and annual report

44. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements and supporting records not provided resulted in the financial statements receiving a disclaimer of audit opinion.
45. The 2010-11 annual report was not tabled in the municipal council, as required by section 127(2) of the MFMA. A written explanation was not submitted to the council setting out the reasons for the delay in tabling the 2010-11 annual report in the council, as required by section 127(3) of the MFMA.
46. The municipality did not establish a performance management system that was in line with the priorities, objectives, indicators and targets contained in its integrated development plan; clarify the roles and responsibilities of each role player in the functioning of the system; determine the frequency of reporting and the lines of accountability for performance; and provide for procedures to link the system to the municipality's integrated development planning processes, as required by section 38(a) of the MSA and Municipal Planning and Performance Management Regulation 7(2)(c), (e), (f) and (g). Consequently, the municipality could not monitor and review its performance management system, as required by section 40 of the MSA.
47. The annual performance report for the year under review did not include the performance of the municipality, a comparison of the performance with set targets, a comparison with the previous financial year as well as measures taken to improve performance, as required by section 46(1)(a), (b) and (c) of the MSA.

Asset and liability management

48. An adequate management, accounting and information system was not in place to account for assets, as required by section 63(2)(a) of the MFMA.
49. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.
50. Short-term debt was incurred without a resolution of the municipal council approving the debt agreement, in contravention of sections 45(2), of the MFMA.

Audit committee

51. The audit committee did not advise the council on matters relating to internal financial control and internal audits, risk management, accounting policies, effective governance, performance management and performance evaluation, as required by section 166(2)(a) of the MFMA. Furthermore, the audit committee did not respond to the council on the issues raised in the audit reports of the Auditor-General, as required by section 166(2)(c) of the MFMA.
52. The performance audit committee did not review the municipality's performance management system and make recommendations to the council, as required by Municipal Planning and Performance Management Regulation 14(4)(a)(ii).

Budgets

53. Unforeseeable or unavoidable expenditure not provided for in the annual budget was incurred without being appropriated in an adjustment budget, in contravention of section 29(2)(d) of the MFMA.

Conditional grants received

54. The municipality did not submit quarterly performance reports to the transferring national officer, the relevant provincial treasury and the National Treasury, within 30 days after the end of each quarter, as required by section 12(2)(c) of DoRA.
55. The municipality did not evaluate its performance in respect of programmes funded by the conditional grants and submit the evaluation to the transferring national officer within two months after the end of the financial year, as required by section 12(6) of DoRA.
56. The municipality did not timeously submit project registration forms for projects it intended implementing in the financial year under review to the Department of Local Government, as required by the Division of Revenue Grant Framework issued in *Gazette No. 34280*.
57. Allocations were utilised for purposes other than those stipulated in the Division of Revenue Grant Framework issued in *Gazette No. 34280*, in contravention of section 15(1) of DoRA.
58. The municipality did not submit MFMA implementation plans to the National Treasury to address weaknesses in financial management, as required by the Division of Revenue Grant Framework issued in *Gazette No. 34280*.
59. The municipality did not submit, within 20 days after the end of each month, its monthly expenditure reports to the Department of Cooperative Governance and Traditional Affairs, as required by the Division of Revenue Grant Framework issued in *Gazette No. 34280*.
60. The municipality did not comply with the preparations for next financial year and 2013/14 financial year as required by section 26 of the Division of Revenue Act in that the final allocations were not submitted to the National Treasury by 7 December 2011.

Expenditure management

61. Money owing by the municipality was not always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA.
62. The accounting officer did not take effective steps to prevent unauthorised, irregular as well as fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

Internal audit

63. The internal audit unit did not audit the results of performance measurements, as required by section 45(1)(a) of the MSA and Municipal Planning and Performance Management Regulation 14(1)(a).
64. The internal audit unit did not assess the functionality of the performance management system, whether the performance management system complied with the requirements of the MSA, and the extent to which the performance measurements were reliable in measuring the performance of the municipality on key and general performance indicators, as required by Municipal Planning and Performance Management Regulation 14(1)(b)(i), (ii) and (iii).

Procurement and contract management

65. Quotations were accepted from prospective providers who are not registered on the list of accredited prospective providers and do not meet the listing requirements prescribed by the supply chain management (SCM) policy, in contravention of SCM Regulations 16(b) and 17(b).
66. Goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1).
67. Invitations for competitive bidding were not always advertised for the required minimum period, as required by SCM Regulation 22(1) and (2).
68. Bids were not always evaluated by bid evaluation committees composed of officials from the departments requiring the goods or services and at least one SCM practitioner of the municipality, as required by SCM Regulation 28(2).
69. Contracts and quotations were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding and quotations, in contravention of SCM Regulations 21(b) and 28(1)(a) and the Preferential Procurement Regulations.
70. Bids were not always evaluated and adjudicated by committees composed in accordance with SCM Regulation 28(2) and 29(2).
71. Awards were made to bidders other than those recommended by the bid evaluation committee without ratification by the accounting officer, as required by SCM Regulation 29(5)(b).

72. Contracts and quotations were awarded to bidders based on preference points that had not been allocated and calculated in accordance with the requirements of the PPPFA and its regulations.
73. Contract performance and monitoring measures and methods were insufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.
74. Construction projects were not always registered with the Construction Industry Development Board (CIDB), as required by section 22 of the Construction Industry Development Board Act of South Africa, 2000 (Act No. 38 of 2000) and CIDB Regulation 18.
75. Contracts and quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM Regulation 43.
76. Contracts and quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM Regulation 13(c).
77. Awards were made to providers who are persons in the service of other state institutions or whose directors or principal shareholders are persons in the service of other state institutions, in contravention of SCM Regulation 44. Similar awards were identified in the prior year and no effective steps had been taken to prevent or combat the abuse of the SCM process in accordance with SCM Regulation 38(1).
78. The prospective providers' list for procuring goods and services through quotations was not updated at least quarterly to include new suppliers that qualify for listing, and prospective providers were not invited to apply for such listing at least once a year, as per the requirements of SCM Regulation 14(1)(a)(ii) and (2).

Revenue management

79. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

Internal control

80. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for the disclaimer of opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

NATIONAL TREASURY

MFMA IMPLEMENTATION PLAN - TEMPLATE

(For Municipalities With Municipal Entities Only)



Name of municipality: **THABA CHWEU LOCAL MUNICIPALITY** Code: **MP321** _____
 (eg: City of Johannesburg) (eg: GT001)

Plan Ref	Action Required	Act Ref	Responsibility Under the MFMA	Delegation To	Final Target Date	Date Action Completed	Explanatory Notes
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9 MUNICIPAL ENTITIES

The MFMA, along with amendments to the Municipal Systems Act, contain a number of important reforms concerning the establishment and operation of municipal entities. *Refer MFMA Chapter 10, and MSA Chapter 8A.*

	MANAGEMENT ARRANGEMENTS						
	Establishment of an entity						
9.1	When considering the establishment of, or participation in, a municipal entity, determine the function or service to be performed and make the appropriate assessment as required by s84(1)(b)	84(1)	municipality	ref s59 of MSA	01-Jul-13		
9.2	Establish or participate in a municipal entity only in terms of s84(2)(a), following an information statement, invitation for community comment and solicitation of views prior to the council meeting at which a decision is to be made	84(2)	municipality	ref s59 of MSA	01-Jul-13		
	Corporate Management						
9.3	Guide the municipality in exercising its rights and powers over the entity to ensure legislative compliance without impeding the entity from performing its operational responsibilities	56	mayor	ref s59(1) of MFMA	01-Jul-13		
9.4	Guide and advise the entity in relation to MFMA compliance	60	municipal manager	ref s79(1) of MFMA	01-Jul-13		
9.5	Appoint/assign persons to assume the duties of CEO for each entity		board	ref s93J of MSA	01-Jul-13		See s93J(1) of MSA - board to appoint CEO.
9.6	Take steps to ensure that the CEO for each entity is aware of his or her fiduciary responsibilities as accounting officer of the entity concerned	94	municipal manager	ref s79(1) of MFMA	01-Jul-13		See s93J(2) of MSA - CEO to report to the board.
9.7	Implement the appropriate systems to help ensure that the resources of the entity are used effectively	95(a)	CEO	ref s106(1) of MFMA	01-Jul-13		
9.8	Implement the appropriate systems to help ensure that full and proper records of the financial affairs of the entity are kept	95(b)	CEO	ref s106(1) of MFMA	01-Jul-13		
9.9	Determine the upper limits of the salary, allowances, and other benefits of the CEO and other senior managers, monitor that expenditure and ensure that the entity reports on all matters listed in s89(b)	89	municipality	ref s59 of MSA	01-Jul-13		
9.10	Take all reasonable steps within their respective areas of responsibility to ensure their compliance with s105	105	senior managers of entity	n/a	01-Jul-13		
9.11	Initiate a review delegations in terms of the MFMA, in order to take account of s106 (CEO)	106	CEO	ref s106(1) of MFMA	01-Jul-13		See s86H of MSA - council by-law to detail entity functionality, including delegations.
9.12	Meet prescribed financial management competency levels	107	CEO, CFO, senior managers & other finance officials of entity	n/a	01-Jul-13		
	Internal control						
9.13	Ensure that the entity has and maintains effective, efficient and transparent systems of financial and risk management and internal control and internal audit operating with any prescribed norms and standards	95(c)	CEO	ref s106(1) of MFMA	01-Jul-13		

Plan Ref	Action Required	Act Ref	Responsibility Under the MFMA	Delegation To	Final Target Date	Date Action Completed	Explanatory Notes
9.14	Establish an internal audit unit in accordance with s165	165	entity	ref s106(1) of MFMA	01-Jul-13		* By capacity - relates to 1 July 2005 for high, 1 July 2006 for medium, 1 July 2007 for low capacity municipalities.
9.15	Establish an entity audit committee in accordance with s166	166	entity	ref s106(1) of MFMA	01-Jul-13		* By capacity - relates to 1 July 2005 for high, 1 July 2007 for medium, 1 July 2008 for low capacity municipalities. Members to be appointed by council.
Resolution of financial problems							
9.16	Put in place an agreed resolution mechanism to ensure disputes concerning entities with organs of state of a financial nature are promptly resolved in accordance with s44. In instances when NT is not party to a dispute, report the matter to NT and where appropriate request mediation by NT	44	municipal manager	ref s79(1) of MFMA	01-Jul-13		
9.17	Take action if the entity experiences serious or persistent financial problems in circumstances in which the board has failed to take action	109	municipality	ref s59 of MSA	01-Jul-13		
9.18	Ensure that the entity does not enter into any forbidden activity prescribed in s164, and develop a strategy to phase out those activities entered into prior to 1 July 2004	164	entity	ref s106(1) of MFMA	01-Jul-13		
9.19	Take steps to ensure that the board, the chairman and senior management are aware of the implications of Chapter 15, in particular what constitutes "financial misconduct", offences, penalties, and disciplinary and criminal proceedings, to ensure that the appropriate systems are in place to investigate allegations of financial misconduct	C 15	entity	ref s106(1) of MFMA	01-Jul-13		
FINANCIAL PLANNING AND BUDGETING							
Budget preparation							
9.20	Submit to the municipality a proposed budget for each financial year not later than 150 days before the start of the entity's financial year or earlier if requested by the municipality	87(1)	board	ref s106(1) of MFMA	01-Feb-13		Actual date that relates to 2005/06 budget.
9.21	Consider the proposed budget of the entity and if necessary make recommendations to the board	87(2)	municipality	ref s59 of MSA	26-Feb-13		Suggested date that relates to 2005/06 budget.
9.22	Consider recommendations on the proposed budget by the municipality and if necessary submit a revised budget not later than 100 days before the start of the financial year	87(2)	board	ref s106(1) of MFMA	23-Mar-13		Actual date that relates to 2005/06 budget.
9.23	Table the proposed budget of the entity in the council when the annual budget of the municipality is tabled	87(3)	mayor	ref s59(1) of MFMA	02-Apr-13		Actual date that relates to 2005/06 budget.
9.24	Approve the budget of the entity not later than 30 days before the start of the financial year, taking into account hearings or recommendations of the council	87(4)	board	ref s106(1) of MFMA	01-Jun-13		Effective date that relates to 2005/06 budget.
9.25	Ensure budget is in accordance with s87(5), and where appropriate s17(1) and 17(2)	87(5)	CEO	ref s106(1) of MFMA	01-Jul-13		Effective date that relates to 2005/06 budget.
9.26	Revise budget with the approval of the mayor based only on reasons outlined in s87(6)	87(6)	board	ref s106(1) of MFMA	01-Jul-13		Effective date that relates to 2005/06 budget.
9.27	Ensure that projected allocations from the municipality are provided for in the entity's budget	87(7)	CEO	ref s106(1) of MFMA	01-Jul-13		Effective date that relates to 2005/06 budget.
9.28	Table the approved or adjusted budget of the entity at the next council meeting of the municipality	87(9)	mayor	ref s59(1) of MFMA	01-Jul-13		Effective date that relates to 2005/06 budget.
9.29	Make public the approved or adjusted budget of the entity	87(10)	CEO	ref s106(1) of MFMA	01-Jul-13		Effective date that relates to 2005/06 budget.
Budget implementation							
9.30	Implement the entity's budget in accordance with s100	100	CEO	ref s106(1) of MFMA	01-Jul-13		Effective date that relates to 2004/05 budget.
INCOME AND EXPENDITURE MANAGEMENT							
Income management							
9.31	Take all reasonable steps to ensure that the entity's revenue systems comply with s97	97(1)	CEO	ref s106(1) of MFMA	01-Jul-13		

Plan Ref	Action Required	Act Ref	Responsibility Under the MFMA	Delegation To	Final Target Date	Date Action Completed	Explanatory Notes
9.32	Immediately inform the municipality of any payments due by an organ of state to the entity in respect of service charges if such payments are regularly in arrears for more than 30 days	97(2)	CEO	ref s106(1) of MFMA	01-Jul-13		
9.33	Take all reasonable steps to ensure that revenue received is reconciled at least monthly and all accounts are reconciled monthly	98	CEO	ref s106(1) of MFMA	01-Jul-13		
	Expenditure management						
9.34	Take responsibility for the management of the entity's expenditure	99(1)	CEO	ref s106(1) of MFMA	01-Jul-13		
9.35	Take all reasonable steps to ensure that the entity's expenditure systems comply with s99(2)	99(2)	CEO	ref s106(1) of MFMA	01-Jul-13		
9.36	Ensure that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented	95	CEO	ref s106(1) of MFMA	01-Jul-13		
9.37	Ensure that all expenditure is in accordance with the operational policies of the entity	95	CEO	ref s106(1) of MFMA	01-Jul-13		
9.38	Ensure that disciplinary action, or when appropriate, criminal proceedings are instituted against any official of the entity who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15	95 172(3)	CEO	ref s106(1) of MFMA	01-Jul-13		
9.39	On discovery of any irregular expenditure or any fruitless and wasteful expenditure, report that expenditure in writing to the mayor, municipal manager and the A-G	102(1)	board	ref s106(1) of MFMA	01-Jul-13		
9.40	On discovery of any irregular expenditure that may constitute a criminal offence and any other losses suffered by the entity resulting from suspected criminal conduct, report that matter promptly to SAPS	102(2)	board	ref s106(1) of MFMA	01-Jul-13		
9.41	Ensure that all expenditure is incurred in terms of an approved budget	87(8)	entity	ref s106(1) of MFMA	01-Jul-13		Effective date that refers to 2005/06 budget
	CASH MANAGEMENT AND BANKING						
9.42	Open at least one bank account in the name of the entity	85(1)	entity	ref s106(1) of MFMA	01-Jul-13		
9.43	Deposit all money received into the bank account(s) promptly and in accordance with Chapter 10 and any requirements to be prescribed	85(2)	entity	ref s106(1) of MFMA	01-Jul-13		
9.44	Check to ensure that no bank accounts that have been opened in contravention of s85(3)	85(3)	entity	ref s106(1) of MFMA	01-Jul-13		
9.45	Check to ensure that money is withdrawn from bank account(s) only in terms of requirements to be prescribed	85(4)	entity	ref s106(1) of MFMA	01-Jul-13		
9.46	Administer all bank accounts, maintaining accountability to the board and enforce any requirements prescribed in terms of s85(4)	85(5)	CEO	ref s106(1) of MFMA	01-Jul-13		
9.47	Submit to the municipality written details of all new bank accounts when opened, and all bank accounts each year	86(1)	CEO	ref s106(1) of MFMA	01-Jul-13		
9.48	Submit to the A-G, NT and relevant provincial treasury details of the new bank accounts referred to in s86(1)	86(2)	municipal manager	ref s79(1) of MFMA	01-Jul-13		
	SUPPLY CHAIN MANAGEMENT REFORM						
9.49	Ensure that no person interferes with the supply chain management system of the entity or amends or tampers with any tenders, quotations, contracts or bids after their submission	118	CEO	ref s106(1) of MFMA	01-Jul-13		
9.50	Implement an appropriate supply chain management policy in accordance with Chapter 11 and the prescribed regulatory framework	111 112 115(1)(a)	CEO	ref s106(1) of MFMA	01-Dec-13		* By capacity - relates to 1 December 2004 for high, 1 July 2006 for medium, 1 July 2007 for low capacity municipalities
9.51	Ensure that unsolicited bids are dealt with in accordance with s113 and the prescribed regulatory framework	113	entity	ref s106(1) of MFMA	01-Dec-13		

Plan Ref	Action Required	Act Ref	Responsibility Under the MFMA	Delegation To	Final Target Date	Date Action Completed	Explanatory Notes
9.52	If a tender other than one recommended is approved, notify in writing the municipality, A-G, the provincial treasury and NT and advise the reason for deviating from the original recommendation	114	CEO	ref s106(1) of MFMA	01-Dec-13		
9.53	Take all reasonable steps to ensure that proper mechanisms and separation of duties are in place in relation to supply chain management systems, to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices	115(1)(b)	CEO	ref s106(1) of MFMA	01-Dec-13		
9.54	Ensure that all contracts and contract management procedures are administered in accordance with s116	116	CEO	ref s106(1) of MFMA	01-Dec-13		
9.55	Note: In addition to the above requirements, establish capacity in the administration of contracts and agreements in accordance with s116(2)(c)	116(2)(c)	CEO	ref s106(1) of MFMA	01-Dec-13		* By capacity - relates to 1 December 2004 for high, 1 July 2006 for medium, 1 July 2007 for low capacity municipalities.
9.56	Meet prescribed supply chain management competency levels	119(1)	CEO, SCM officials	n/a	01-Jul-13		
9.57	Provide the appropriate resources and opportunities for training of officials to meet the prescribed supply chain management competency levels	119(2)	entity	ref s106(1) of MFMA	01-Jul-13		
MUNICIPAL INVESTMENTS AND BORROWINGS							
9.58	Ensure that all entity borrowings are made in accordance with Chapter 6	108	entity	ref s106(1) of MFMA	01-Jul-13		
ASSET AND LIABILITY MANAGEMENT							
Asset management							
9.59	Maintain responsibility for management of the entity's assets and liabilities	96(1)	CEO	ref s106(1) of MFMA	01-Jul-13		
9.60	Take all reasonable steps to ensure that the entity's asset and liability systems comply with s 96(2)	96(2)	CEO	ref s106(1) of MFMA	01-Jul-13		
9.61	Ensure that an appropriate system is established to dispose of capital assets in accordance with s90(2) ie: to ensure that assets required for the minimum level of basic municipal services are not inappropriately disposed	90(2)	council	ref s59 of MSA	01-Jul-13		
9.62	Consider the delegation of power to make determinations to dispose of movable capital assets below a certain value to the CEO	90(4)	council	ref s59 of MSA	01-Jul-13		
Liability management							
9.63	Take appropriate steps to ensure that the entity does not incur a liability or risk payable in a foreign currency	163	entity	ref s106(1) of MFMA	01-Jul-13		
IN-YEAR AND ANNUAL REPORTING							
In-year reporting							
9.64	Report in writing to the board at its next meeting, and to the municipal manager any financial problems of the entity outlined in s101(1)(a)	101(1)	CEO	ref s106(1) of MFMA	01-Jul-13		
9.65	Table the report outlined in s101(1) to council at its next meeting	101(2)	municipal manager	ref s79(1) of MFMA	01-Jul-13		
9.66	Report promptly to the speaker of the council any interference by a councillor outside that councillor's assigned duties	103	CEO	ref s106(1) of MFMA	01-Jul-13		
9.67	Submit to NT, the relevant provincial treasury, the department for local government in the province or the A-G information as prescribed or required, and if unable to comply with any of the responsibilities contained in the MFMA report that fact with reasons to the council of the municipality	104	CEO	ref s106(1) of MFMA	01-Jul-13		
9.68	Submit to the municipal manager no later than 7 working days after the end of each month a monthly budget statement in the prescribed format and in accordance with s87(11) to (14)	87(11) to 87(14)	CEO	ref s106(1) of MFMA	07-Aug-13		Effective 1 July 2004.
9.69	Submit to NT within 3 months of 1 July 2004, a list of any corporate entities as detailed in s178(2)	178(2)	municipality	ref s59 of MSA	30-Sep-13		

Plan Ref	Action Required	Act Ref	Responsibility Under the MFMA	Delegation To	Final Target Date	Date Action Completed	Explanatory Notes
9.70	Submit to the board and municipality by 20 January each year and make public a mid-year budget and performance assessment for the entity taking into account the annual report for the past year, and progress made to resolve any problems identified in that report	88	CEO	ref s106(1) of MFMA	20-Jan-13		Effective 1 July 2004.
9.71	Note: In addition to the detail provided in the mid-year budget and performance assessment referred to above, take into account monthly budget statements and targets set in the service delivery, business plan or other agreements between the entity and municipality	88	CEO	ref s106(1) of MFMA	20-Jan-13		Effective 1 July 2005.
End-of-year reporting							
9.72	Prepare annual financial statements in accordance with s122(1), containing disclosures as required by s124 and s125	122(1) 124 125	entity	ref s106(1) of MFMA	01-Jul-13		
9.73	Note: In instances in which a municipality has sole control or effective control of an entity which is a private company, and in addition to s122(1), prepare consolidated financial statements and comply with any requirements as may be prescribed	122(2)	municipality	ref s59 of MSA	01-Jul-13		* By capacity - relates to 2004/05 year for high, 2005/06 for medium, 2006/07 for low capacity municipalities
9.74	Note: Ensure that annual financial statements disclose information on allocations as required by s123(1)	123(2)	entity	ref s106(1) of MFMA	01-Jul-13		Effective date that relates to 2004/05 financial statements.
9.75	Monitor whether the CEO has prepared an annual report and annual financial statements in compliance with s121(1) and 126(2), and establish reasons for any non-compliance and promptly report any non-compliance together with the reasons for the non-compliance to the council, provincial treasury and A-G	128	municipal manager	ref s79(1) of MFMA	01-Jul-13		Effective date that relates to 2004/05 annual report and financial statements
9.76	Submit annual financial statements to the municipality and A-G within 2 months after the end of the financial year	126(2)	CEO	ref s106(1) of MFMA	201/08/31		Actual date that relates to 2004/05 financial statements.
9.77	Note: In instances in which a municipality has sole control or effective control of an entity which is a private company, and in addition to s126(1), submit consolidated financial statements to the A-G within 3 months after the end of the financial year	126(1)(b)	municipal manager	ref s79(1) of MFMA	30-Sep-13		Actual date that relates to 2004/05 financial statements
9.78	Take the appropriate action in terms of s133 in instances where financial statements are not submitted to the A-G	133(1)	council	ref s59 of MSA	30-Sep-13		Actual date that relates to 2004/05 financial statements
9.79	Submit annual report to the municipal manager of the municipality within 6 months after the end of the financial year, or earlier if otherwise agreed	127(1)	CEO	ref s106(1) of MFMA	31-Dec-13		Actual date that relates to 2004/05 annual report.
9.80	Prepare the annual report in accordance with Chapter 12 and containing information required by s121	121	entity	ref s106(1) of MFMA	30-Mar-13		Actual date that relates to 2004/05 annual report.
9.81	Deal with the annual report within 9 months after the end of the financial year	121	council	ref s59 of MSA	30-Mar-13		Actual date that relates to 2004/05 annual report.
9.82	Submit the annual report and oversight report for the entity to the provincial legislature within 7 days after being adopted by council	132	municipal manager	ref s79(1) of MFMA	07-Apr-13		Actual date that relates to 2004/05 annual report.

FOR COUNCIL USE ONLY

Prepared by: M SEDIBE
Date: 14/11/2012

Reviewed by: B.O KGOETE
Date: 15/11/2012

Disclaimer: Please note that this worksheet has been compiled to assist municipalities in developing their own project management plan - municipalities must review the activities and timeframes listed carefully to ensure that they suit their own individual needs. Municipalities are required to review the accuracy of the template, and therefore National Treasury cannot accept any responsibility for errors or omissions contained within this worksheet. As a template, there may be instances when the information contained here is not relevant to a municipality. This document will evolve over time, and users are requested to advise the National Treasury of any errors or omissions so that the template may be constantly improved and enhanced.

1 JULY 2012 TO 20 JUNE 2013

Audit deficiencies action plan and processes to improve DISCLAIMER opinion on the Annual Financial Statements for the period ended 30 June 2012

Audit deficiencies action plan and processes to improve DISCLAIMER opinion on the Annual Financial Statements for the period ended 30 June 2012

KEY AUDIT FINDING	CAUSES OF AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDING AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY	PROGRESS REPORT			INTERVENTION
					ACTUAL PROGRESS	CHALLENGES	REMEDIAL ACTION TAKEN/TO BE TAKEN	REQUIRED
THABA CHWEU LOCAL MUNICIPALITY								
3. AR PPE: Assets not found in asset register	Internal Control Deficiency Pertinent Information is not identified and captured in a form and time frame to support financial and performance reporting.	Ensure designated responsible staff knows where all the municipal assets are located in order to assist the Audit Processes. All assets are taken set up in the Asset Register. If only needs to be identified correctly	Assistant Manager Asset Management, Veronica	30-Mar-13	Work in progress	No server available yet from EDM to operate GIS	Implementation of GIS	Server required from EDM to operate GIS properly
4. AR PPE: Change in accounting policy not accounted for in the AFS	Internal Control Deficiency • The municipality does ensure adequate review of financial statements to ensure compliance with Financial Reporting Framework and relevant accounting standards	The change in Accounting Policy was not correctly disclosed in the AFS and must be disclosed according to GRAP standards	Acting CFO Oupa Kgote	Submission of Interim AFS	Disclosure ready	None	Disclosure to be done	None
6. AR Inventory: Supporting documentation not submitted for audit	Internal Control Deficiency Requested information was not available and supplied without any significant delay	The administrative section of the stores department are to be reviewed and corrective measures implemented	Assistant Manager Supply Chain-Filele Mshwaga	Submission of Interim AFS	work in progress	Staff capacity	Training	TCO
10. AR: Revenue: Non-submission of supporting documentation	Internal Control Deficiency Management should implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	The archive activities of each separate office in Finance are to be organized and the culture of retaining documents be invested	Acting CFO Oupa Kgote and Director Corporate Services Surprise Masebe	30-Mar-13	work in progress	Staff capacity	Reorganising Our Filing system and training. Record staff personnel on new Archive legislation	None
11. AR Funds collected on behalf of DPWRT	Internal Control Deficiency Management should review and monitor compliance with applicable laws and regulations	The activity is well under control and the ledger entries are correct. However the possibility of paying these fund is a challenge	Acting CFO Oupa Kgote	Cash curtailment processes	none	the reconciliation between our records and Transport must be coordinated	None	None
12. AR: Revenue: Accounting policy not in line with GRAP 9 for pre-paid meters and the accounting thereof	Internal Control Deficiency The financial statements and other information to be included in the annual report are not reviewed for completeness and accuracy prior to submission for audit	We have a technical challenge in this regard as the standards that are required by the AG do not physically exist in any pre-paid system. We are utilizing a good estimated process. Our challenge is what is the standards as the AG is also not sure, but queering anything submitted	Acting CFO Oupa Kgote	30-Mar-13	work in progress	Agreement on standards acceptable to all parties	Management will review all outstanding policies called by Auditor General and Internal Audit Unit	None
16. AR Expenditure: Misclassification of Grants and Subsidies paid/ Assets not capitalised	Internal Control Deficiency • Financial statements are not reviewed prior to submission for audit	Management will develop Internal Controls on correct classification of Grants and subsidies and appropriate capitalization thereof	Acting CFO Oupa Kgote	30-Mar-13	work in progress	None	During adjustment Budget appropriate Classification on grant and Subsidies will be catered for accordingly	None
22. AR Scope Limitation: Investment Property	Internal Control Deficiency • The management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial information for auditing of investment property.	The archive activities of each separate office in Finance are to be organized and the culture of retaining documents be invested	Acting CFO Oupa Kgote and Director Corporate Services Surprise Masebe	30-Mar-13	work in progress	Staff capacity	Finance will develop investment property register and establishment of a dedicated official to Monitor and maintain Grap 16 Implementation	None
25. AR Expenditure: Misclassification of bulk purchases	Internal Control Deficiency Pertinent information is not identified and captured in a form and time frame to support financial and performance reporting	This matter was discussed with the AG and is in connection with MBR OHELA. We still retain the opinion that this are to be classified as bulk purchases and not repairs and maintenance	CFO and departmental heads	30-Mar-13	work in progress	Staff capacity	Training of AFS preparers team and new Grap Standards	None
28. Changes in accounting policy not correctly accounted for in line with GRAP 3 and Directive 4	Internal Control Deficiency The accounting officer / accounting authority do not exercise oversight responsibility over reporting and compliance with laws and regulations and internal control	The change in Accounting Policy was not correctly disclosed in the AFS and must be disclosed according to GRAP standards	Acting CFO Oupa Kgote	Submission of Interim AFS 31 January 2013	Disclosure ready	None	Disclosure to be done	None
32. Employee cost - Acting allowances not on employee file	Internal Control Deficiency Management and staff do not fulfil their duties and responsibilities	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto	Acting CFO Oupa Kgote	30-Jun-13	work in progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file	None
36. Employee cost - Acting allowances paid but no proof was found on personnel files	Internal Control Deficiency • Reliable, complete and accurate monthly and management information are not prepared and reviewed. • Confirmation is not provided to the appropriate level of management that payments are only made to valid employees	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto To be reviewed and finalised during preparations of Interim AFS	Acting CFO Oupa Kgote	Submission of Interim AFS 31 January 2013	work in progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file	None

37	37. Employee cost - Acting allowances appointment letter	Internal Control Deficiency Management and staff do not fulfil their duties and responsibilities	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto To be reviewed and finalised during preparations of Interim AFS	Acting CFO Oupa Kgote	Submission of Interim AFS 31 January 2014	work in progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file	None
38	38. Employee cost - Acting allowances Re-appointment letters	Internal Control Deficiency Management and staff do not fulfil their duties and responsibilities	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto	Acting CFO Oupa Kgote	30-Jun-13	work in progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file	None
39	39. Employee cost - Amount of leave days paid out is not reduced by the balance in the leave register	Internal Control Deficiency All supporting documentation are not thoroughly checked and reconciled, prior to effecting payment.	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto	Acting CFO Oupa Kgote	30-Jun-13	work in progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file	None
40	40. AR Employee cost - Approval for allowances paid is not on personnel file	Internal Control Deficiency All supporting documentation are not thoroughly checked and reconciled prior to effecting payment	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto	Acting CFO Oupa Kgote	30-Jun-13	work in progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file	None
41	41. Employee cost - Allowances accuracy	Internal Control Deficiency Information was not available and supplied without any significant delay	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto	Acting CFO Oupa Kgote	30-Jun-13	work in progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file	None
42	42. Overstatement of Extended Public Works Programme Expenditure	Internal Control Deficiency Management did not implement controls over the signing of attendance register for work by the extended public works programme employees to ensure that the days on file register reflect the actual and real dates that the employees worked.	Management has developed internal controls on signing of attendance register for all appointed EPWP Contract workers and further appointed EPWP Champion to further monitor day to day running of the projects	Acting CFO Oupa Kgote	01-Feb-13	work in progress	None	Appointment of EPWP Champion to Monitor day today running of the projects	None
43	43. Unauthorised expenditure: Non Compliance: Expenses for EPWP Project	Internal Control Deficiency Information was not available and supplied without any significant delay.	WE SIMPLY CANNOT AGREE. We would request the AG to carefully study the national allocation process especially the grant methodology of EPWP	Acting CFO Oupa Kgote		work in progress	None	none	
44	44. Employee compliance -code of conduct not on the file	Internal Control Deficiency Filing system is not in place	Total review of Human Resources Department as there is a lack of internal controls and mechanisms for accuracy in Employee related matters	Director Corporate Services Surprise Mabelela	30-Jun-13	work in progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file	None
45	45. Compliance: performance measurements not audited	Internal Control Deficiency Internal audit did not fulfil its responsibilities as set out in legislation and in accordance with accepted best practice and standards	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager Burton Koma	30-Mar-13	work in progress	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
46	46. Expenditure: 3 quotations were not obtained for the procurement of goods and services Irregular expenditure	Internal Control Deficiency Compliance with laws and regulation is not timely monitored.	All expenditure in contradiction to the SCM Policy and the MFMA have been noted in the Statements and all matters that have been reported to Council have been indicated as such in the AFS and documentation provided to the AG	Acting CFO Oupa Kgote	30-Mar-13	work in progress	Matters not reported to Council by SCM department	Implementation of much stricter internal controls and training of staff to avoid any expenditure not in line with the MFMA	Council Resolution
47	47. Compliance: Bank overdraft facility not approved by council	Internal Control Deficiency The accounting officer does not exercise oversight responsibility over reporting and compliance with laws and regulations and internal control	Council was not functioning properly at the stage that the Overdraft was taken up. The Mayor however approved the overdraft and all supporting documents were provided	Acting CFO Oupa Kgote	31-Mar-13	None	None	All matters to be approved by Council in this regard in future	None
48	48. Employee cost - Leave pay-out forms not submitted	Internal Control Deficiency Requested information are not properly filed and easily retrievable and available for audit purposes.	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto	Acting CFO Oupa Kgote	30-Jun-13	work in progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file	None
49	49. Compliance: reports on funded programmes to be included in AFS	Internal Control Deficiency Management should review and monitor compliance with applicable laws and regulations	we accept the challenges in this matter and as previously explained have great effort to control the issue	Acting CFO Oupa Kgote		work in progress	Staff capacity		
50	50. Compliance: No performance management system is adopted by the municipality	Internal Control Deficiency The entity does not have a formal risk assessment process The entity does not identify risks relating to the achievement of financial and performance reporting objectives	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager Burton Koma	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
51	51. Compliance: Annual report problems not resolved	Internal Control Deficiency The accounting officer / accounting authority does not exercise oversight responsibility over reporting and compliance with laws and regulations and internal control. Personnel are not aware of the allocation of duties, responsibilities and lines of reporting	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager Burton Koma	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
52	52. Compliance: municipal entity performance not assessed	Internal Control Deficiency The accounting officer / accounting authority does not exercise oversight responsibility over reporting and compliance with laws and regulations and internal control. Personnel are not aware of the allocation of duties, responsibilities and lines of reporting	The Municipal entity entered into an agreement with the Municipality a month before the end of the period under review There was no performance to be measured at that time	Municipal Manager Burton Koma	30-Mar-13	AFS received from entity and meeting held	None	Receive monthly performance reports	none

53	53. Compliance: budget performance budget not made public	Internal Control Deficiency • The accounting officer does not exercise oversight responsibility over reporting and compliance with laws and regulations and internal control. • Personnel are not aware of the allocation of duties, responsibilities and lines of reporting.	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager/Burton Koma	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
54	54. Compliance: no adjustment budget	Internal Control Deficiency • • The accounting officer does not exercise oversight responsibility over reporting and compliance with laws and regulations and internal control. • Personnel are not aware of the allocation of duties, responsibilities and lines of reporting.	we accept the challenges in this matter and as previously explained have great effort to control the issue. The Council has appointed acting CFO To assist the Municipality on issues of Adjustment Budget for 2012/13 Financial year therefore the Matter has been resolved	Acting CFO/Oupa Kgoete	25-Jan-13	work in progress	None	The Council has appointed acting CFO To assist the Municipality on issues of Adjustment Budget for 2012/13 Financial year therefore the Matter has been resolved	None
55	55. Compliance: budget does not include a business plan	Internal Control Deficiency Management and staff do not fulfil their duties and responsibilities	The Acting CFO will assist the council to prepare the Budget with Business plan for the next 2013/2012 Budget preparation	Acting CFO/Oupa Kgoete	25-Jun-13	work in progress	None	The Acting CFO will assist the council to prepare the Budget with Business plan for the next 2013/2012 Budget preparation	None
56	56. Compliance: no implementation plan	Internal Control Deficiency Compliance with laws and regulations are not monitored on a timely manner	we accept the challenges in this matter and as previously explained have great effort to control the issue	Acting CFO/Oupa Kgoete	28-Feb-13	work in progress	Staff capacity		None
57	57. Compliance: Budget treasury office	Internal Control Deficiency Management should review and monitor compliance with applicable laws and regulations	we accept the challenges in this matter and as previously explained have great effort to control the issue	Acting CFO/Oupa Kgoete	28-Feb-13	work in progress	Staff capacity		None
58	58. Compliance: Tabling of previous year annual reports	Internal Control Deficiency • The leadership of the municipality did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls to ensure that it's annual report is submitted to the council at the prescribed period required by the Act.	we accept the challenges in this matter and as previously explained have great effort to control the issue	Acting CFO/Oupa Kgoete	28-Feb-13	work in progress	Staff capacity		None
59	59. Compliance: MSIG	Internal Control Deficiency • • No Review and monitor compliance with applicable laws and regulations	we accept the challenges in this matter and as previously explained have great effort to control the issue	Acting CFO/Oupa Kgoete	28-Feb-13	work in progress	Staff capacity		None
60	60. Preparations for 2013/14 financial year	Internal Control Deficiency Compliance with laws and regulations are not monitored in a timely manner	we accept the challenges in this matter and as previously explained have great effort to control the issue	Acting CFO/Oupa Kgoete	28-Feb-13	work in progress	Staff capacity		None
61	61. Compliance: DoRA	Internal Control Deficiency Management should review and monitor compliance with laws and regulations	we accept the challenges in this matter and as previously explained have great effort to control the issue	Acting CFO/Oupa Kgoete	28-Feb-13	work in progress	Staff capacity		None
65	65. Disclosure: Irregular expenditure and a limitation of scope	Internal Control Deficiency • • There are no appropriate means for example checklists for monitoring of compliance on a regular basis	Not in agreement. All expenditure in contradiction to the SCM Policy and the MFMA have been noted in the Statements and all matters that have been reported to Council have been indicated as such in the AFS and documentation provided to the AG.	Acting CFO/Oupa Kgoete	30-Mar-13	None	Matters not reported to Council by SCM department	Implementation of much stricter internal controls and training of staff to avoid any expenditure not in line with the MFMA	Council Resolution
66	66. Disclosure: Unauthorised, irregular and fruitless and wasteful expenditure	Internal Control Deficiency • • The financial statements are not reviewed for completeness and accuracy prior to submission for audit.	Not in agreement. All expenditure in contradiction to the SCM Policy and the MFMA have been noted in the Statements and all matters that have been reported to Council have been indicated as such in the AFS and documentation provided to the AG.	Acting CFO/Oupa Kgoete	30-Mar-13	None	Matters not reported to Council by SCM department	Implementation of much stricter internal controls and training of staff to avoid any expenditure not in line with the MFMA	Council Resolution
67	67. APO: Non Compliance with MSA sec 45(1)(a) and MPPMR GNR, 796 of 24 August 2011, Reg 14 (1) (a)	Internal Control Deficiency • Systems are not appropriate to facilitate the preparation of the financial statements and performance reports.	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
68	68. Procurement: criminal offences reported to BAPS and the AG	Internal Control Deficiency • • Establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes and responsibilities	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials	Ms. Mkwelwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
69	69. Procurement: controls for the declaration of a spouse's or business partner's interest	Internal Control Deficiency • • Establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes and responsibilities	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials	Ms. Mkwelwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
70	70. Procurement: No action plan implemented to address external and internal audit findings	Internal Control Deficiency Oversight resolutions have not been substantially implemented	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials	Ms. Mkwelwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training

71	71. Procurement: Bidders were not made aware of dispute processes	Internal Control Deficiency • Establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes and responsibilities.	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwakwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
72	72. Procurement: Contract awarded to supplier not following tender process	Internal Control Deficiency • Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwakwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
73	73. Procurement: Input tax deductions for VAT being claimed without valid tax invoice and irregular expenditure not disclosed at R24	Internal Control Deficiency • Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwakwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
74	74. Procurement: Information for pre-condition to written quotes not being submitted by providers	Internal Control Deficiency • Compliance is not monitored on a timely manner	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwakwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
75	75. Procurement: Assessment for functionality and specific goals not being performed	Internal Control Deficiency • Oversight responsibility regarding financial and performance reporting and compliance and related internal controls is not exercised	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwakwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
76	76. Procurement: No bid specifications and proof of composition of Committees	Internal Control Deficiency • Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwakwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
77	77. Procurement: Accounting officer not approving bid specifications Prior to the publication of bids	Internal Control Deficiency • Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwakwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
78	78. Procurement: The invitation documents did not clearly specify the maximum points	Internal Control Deficiency • Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwakwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
79	79. Procurement: The bids were not advertised	Internal Control Deficiency • Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwakwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
80	80. Procurement: A register was not kept of all bids received on time	Internal Control Deficiency • Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwakwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
81	81. Procurement: Closing register not published on the website	Internal Control Deficiency • Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwakwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training

82	62. Procurement: Lack of a clear auditable trail in the calculation and allocation of points	Internal Control Deficiency oversight responsibility regarding financial and performance reporting and compliance and related internal controls	• • Exercise	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials	Ms. Mkwakwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
83	63. Procurement: Not at least three persons who are fully conversant with the technical aspects of the requirements/ procurement un	Internal Control Deficiency oversight responsibility regarding financial and performance reporting and compliance and related internal controls	• • Exercise	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials	Ms. Mkwakwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
84	64. Procurement: Contractors grading certificates	Internal Control Deficiency oversight responsibility regarding financial and performance reporting and compliance and related internal controls	• • Exercise	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials	Ms. Mkwakwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
85	65. Procurement: Construction contracts not registered with the CIOB	Internal Control Deficiency oversight responsibility regarding financial and performance reporting and compliance and related internal controls	• • Exercise	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials	Ms. Mkwakwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
86	66. Internal control deficiencies	Internal Control Deficiency weaknesses are not analysed, and appropriate follow-up actions are not taken that address root causes 2 • Internal and external audit findings are not addressed	• Control	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
88	88. Employee cost - Overtime Cut-off	Internal Control Deficiency Implement controls over daily and monthly processing and reconciling of transactions	•	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto.	Acting CFO Oupa Kgoete	30-Jun-13	In progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file	None
89	89. Employee cost - Bonuses contracts	Internal Control Deficiency Implement controls over daily and monthly processing and reconciling of transactions	•	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto.	Acting CFO Oupa Kgoete	30-Jun-13	In progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file	None
90	90. Employee cost - Basic Payroll recon	Internal Control Deficiency Implement controls over daily and monthly processing and reconciling of transactions	• •	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto.	Acting CFO Oupa Kgoete	30-Jun-13	In progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file	None
94	94. Non-Compliance with Municipality regulations, GNR 308U	Internal Control Deficiency leadership did not exercise oversight responsibility regarding financial and performance reporting and compliance to make sure that the section 9 report are submitted to the mayor as part of section 71 report on the monthly basis	• • The	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
95	96. Investments: Impairment of financial asset held to maturity recognised in accumulated surplus	Internal Control Deficiency Information is not identified and captured in a form and time frame to support financial and performance reporting	• Pertinent	we accept the challenges in this matter and as previously explained have great effort to control the issue	Acting CFO Oupa Kgoete	31-Jan-13	work in progress	Staff capacity	Training	None
97	97. Incorrect disclosure of irregular, fruitless and wasteful and unauthorised expenditure	Internal Control Deficiency statements and performance reports are not reviewed prior to submission for audit	• Financial	Not in agreement. All expenditure in contradiction to the SCM Policy and the MFMA have been noted in the Statements and all matters that have been reported to Council have been indicated as such in the AFS and documentation provided to the AG	Acting CFO Oupa Kgoete	30-Mar-13	None	Matters not reported to Council by SCM department	Implementation of much stricter internal controls and training of staff to avoid any expenditure not in line with the MFMA	Council Resolution
98	98. Expenditure: Unauthorised Expenditure	Internal Control Deficiency Processes are not in place to prevent and detect unauthorised, irregular and fruitless and wasteful expenditure	• •	Not in agreement. All expenditure in contradiction to the SCM Policy and the MFMA have been noted in the Statements and all matters that have been reported to Council have been indicated as such in the AFS and documentation provided to the AG	Acting CFO Oupa Kgoete	30-Mar-13	None	Matters not reported to Council by SCM department	Implementation of much stricter internal controls and training of staff to avoid any expenditure not in line with the MFMA	Council Resolution
99	99. Expenditure: Payments not made within 30 Days	Internal Control Deficiency Implement controls over daily and monthly processing and reconciling of transactions	•	we accept the challenges in this matter and as previously explained have great effort to control the issue	Acting CFO Oupa Kgoete	31-Jan-13	work in progress	Staff capacity	Training	None
101	101. Procurement: List of prospective suppliers not updated quarterly	Internal Control Deficiency and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes, and responsibilities	• Establish	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials	Ms. Mkwakwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training

103	103. Irregular expenditure deviations-non compliance	Internal Control Deficiency • • There are not appropriate means for example checklist for monitoring compliance on a regular basis • Compliance is not addressed in a timely manner	Not in agreement. All expenditure in contradiction to the SCM Policy and the MFMA have been noted in the Statements and all matters that have been reported to Council have been indicated as such in the ATR and documentation provided to the AG.	Acting CFO: Oupa Kgoete	30-Mar-13	None	Matters not reported to Council by SCM department	Implementation of much stronger internal controls and training of staff to avoid any expenditure not in line with the MFMA.	Council Resolution
104	104. Procurement: Suppliers who quoted between R2000 and R10000 not being on the database	Internal Control Deficiency • • Compliance is not monitored on a timely manner	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwelwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
105	105. Procurement: Providers not declaring interest	Internal Control Deficiency • • Compliance is not measured on a timely manner	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwelwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
106	106. Procurement: Request for quotations not advertised on website	Internal Control Deficiency • • Compliance is not monitored on a timely basis	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwelwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
107	107. Procurement: Original tax clearance	Internal Control Deficiency • Compliance to law and regulations is not timely monitored	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwelwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
108	108. Procurement: No signed copy of contract	Internal Control Deficiency • Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwelwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
109	109. Procurement: No measures in place to monitor performance on a monthly basis	Internal Control Deficiency • Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwelwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
110	110. Procurement: Procurement of banking services not in accordance with SCM regulations	Internal Control Deficiency • Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mkwelwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
111	111. Payables: grant amount not used for sole purpose	Internal Control Deficiency • • Pertinent information is not identified and captured in a form and time frame to support financial and performance reporting.	we accept the challenges in this matter and as previously explained have great effort to control the issue	Acting CFO: Oupa Kgoete	31-Jan-13	work in progress	Staff capacity	Training	None
116	116. AOPO: Usefulness (Measurability)-Indicators not verifiable	Internal Control Deficiency • • The accounting officer does not exercise oversight responsibility regarding reporting and compliance with laws and regulations and internal controls.	we accept the challenges in this matter and as previously explained have great effort to control the issue	Acting CFO: Oupa Kgoete	31-Jan-13	work in progress	Staff capacity	Training	None
117	117. AOPO: Usefulness- consistency of targets	Internal Control Deficiency • • The financial statements and other information to be included in the annual report are not reviewed for completeness and accuracy prior to submission for audit.	we accept the challenges in this matter and as previously explained have great effort to control the issue	Acting CFO: Oupa Kgoete	31-Jan-13	work in progress	Staff capacity	Training	None
118	118. AOPO: Usefulness (Presentation): Measures taken to improve performance were not disclosed in the annual performance report	Internal Control Deficiency • • The financial statements and other information to be included in the annual report are not reviewed for completeness and accuracy prior to submission for audit.	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible in relate to all Performance Management Duties.	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training

	119. ADOO: Reliability: Limitation of scope	Internal Control Deficiency • • • Proper record keeping was not implemented in a timely manner to ensure complete, relevant and accurate information is available to support financial reporting. • The use of consultants was not monitored properly	we accept the challenges in this matter and as previously explained have great effort to control this issue	Acting CFO/Dups Kigeme	31-Jan-13	work in progress	Staff capacity	Training	None
119	120. Compliance: no performance audit committee in place	Internal Control Deficiency • • • Audit committee operates in accordance with an approved written terms of reference	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
120	121. Evaluation of performance in respect of programmes	Internal Control Deficiency • • Management should review and monitor compliance with applicable laws and regulations	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
121	122. Submission of quarterly performance reports	Internal Control Deficiency • • Management should review and monitor compliance with applicable laws and regulations	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
122	123. Predetermined objective: Non compliance with section 38 (a) of MSA	Internal Control Deficiency • • • Adequate reviews are not done to ensure that financial statements are fairly stated and supported by valid documentation	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
123	124. Predetermined objectives: Non compliance with sec 41 (a) of MSA	Internal Control Deficiency • • • Adequate reviews are not done to ensure that financial statements are fairly stated and supported by valid documentation	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
124	125. Predetermined objectives: Non compliance with sec. 41(d) of MSA	Internal Control Deficiency • • • Adequate reviews are not done to ensure that financial statements are fairly stated and supported by valid documentation	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
125	126. Predetermined objectives: Non compliance with sec 41(a) of MSA	Internal Control Deficiency • • Adequate reviews are not done to ensure that financial statements are fairly stated and supported by valid documentation	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
126	127. Predetermined objectives: Non compliance with sec 41(2) of MSA	Internal Control Deficiency • • • Adequate reviews are not done to ensure that financial statements are fairly stated and supported by valid documentation	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
127	128. Predetermined objectives: Non Compliance with sec 39 (a), (b), (c) of MSA	Internal Control Deficiency • • • Systems are not appropriate to facilitate the preparation of the financial statements and performance reports.	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
128	129. Predetermined objectives: Non compliance with MFMA sec 72(1)	Internal Control Deficiency • • Systems are not appropriate to facilitate the preparation of the financial statements and performance reports	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
129	130. Non Compliance with MPPMR Regulations GNR 796 of 24 August 2011; Reg 9(2)(b)	Internal Control Deficiency • • Systems are not appropriate to facilitate the preparation of the financial statements and performance reports	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
130	131. ADOO: Non Compliance with MPPMR (GNR 796 of 24 August 2011), Reg 14 (1) (b) (i), (ii) & (iii)	Internal Control Deficiency • • Systems are not appropriate to facilitate the preparation of the financial statements and performance reports	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
131	132. ADOO: Non compliance with MPPMR GNR 796 of 24 August 2011; Reg 14(1)(c)	Internal Control Deficiency • • Systems are not appropriate to facilitate the preparation of the financial statements and performance reports	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
132	133. ADOO: Non compliance: SDBIP was not budgeted and implemented	Internal Control Deficiency • • Systems are not appropriate to facilitate the preparation of the financial statements and performance reports	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
133	134. ADOO: The planned Indicators are not consistent with the reported indicators	Internal Control Deficiency • • The financial statements and other information to be included in the annual report are not reviewed for completeness and accuracy prior to submission for audit	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
134	135. ADOO: Priorities as per IDP are not reported in the APR	Internal Control Deficiency • • The financial statements and other information to be included in the annual report are not reviewed for completeness and accuracy prior to submission for audit	There is no performance management Unit established and the Audit Committee currently exercises that duties. However, a PMU must be established as soon as possible to relate to all Performance Management Duties	Municipal Manager	30-Mar-13	None	Appointment of Staff	Advertise and appoint staff	EDM / Treasury assistance in training
135	141. Bad debts: Bad debt as per the council resolution were not written off as approved by the council	Internal Control Deficiency • • The financial statements and other information to be included in the annual report are not reviewed for completeness and accuracy prior to submission for audit	The information was not available at the time of the submission of the AFS.	Acting CFO/Dups Kigeme	2012/13 AFS	None	None	Write off the Bad Debts as per Council Resolution	None

145	145. Net assets: amounts cannot be traced to notes	Internal Control Deficiency Adequate reviews are not done to ensure that financial statements are fairly stated and supported by valid documentation.	***	The AG withdrew this query as it was based on incorrect assumptions on their side.	Acting CFO: Oupa Kgoete	Done	Done	None	None	None
146	146. Net assets: incorrect prior year period surplus/deficit	Internal Control Deficiency * * The financial statements and other information to be included in the annual report are not reviewed for completeness and accuracy prior to submission for audit.	***	The AG withdrew this query as it was based on incorrect assumptions on their side.	Acting CFO: Oupa Kgoete	Done	Done	None	None	None
147	147. Net assets: No basis to support the value of the Auction stock inventory	Internal Control Deficiency * * The financial statements and other information to be included in the annual report is not based on any reasonable estimate.	***	The AG withdrew this query as it was based on incorrect assumptions on their side.	Acting CFO: Oupa Kgoete	Done	Done	None	None	None
150	150. Revenue- Rezoning not timely recorded for billing purposes	Internal Control Deficiency * * Pertinent information is not identified and captured in a form and time frame to support financial and performance reporting.	***	We accept the challenges in this matter and as previously explained have great effort to control the issue.	Acting CFO: Oupa Kgoete	31-Jan-13	work in progress	Staff capacity	Billing accuracy to be ensured	None
152	152. Revenue- Electricity meter readings do not agree with meter reading as per the invoice	Internal Control Deficiency * * Reconciliations are not done monthly and reviewed.	***	The differences indicated by the Audit could all be explained. This occurred due to finger errors, human error etc. Accuracy of billing should be increased.	Mr. Mashilo	Monthly	Monthly	None	Billing accuracy to be ensured	None
153	153. Revenue- Revenue has been accounted for not taking into account rebates and discounts.	Internal Control Deficiency * * Manual or automated controls are not designed to ensure that the transactions have occurred, are authorised, and are completely and accurately processed.	***	The rebates are allowed for as per the Policy. However the Council must still provide a resolution in this regard.	Mr. Mashilo	30-Mar-13	In progress	None	Council Resolution	None
161	161. Expenditure- VAT charged by a non - vendor	Internal Control Deficiency * * Pertinent information is not identified and captured in a form and time frame to support financial reporting.	***	The services of the Vendor was suspended.	Acting CFO: Oupa Kgoete	Done	Done	None	Done	None
162	162. vat: incorrect amount disclosed to SARS.	Internal Control Deficiency * * The financial statements and other information to be included in the annual report are not reviewed for completeness and accuracy prior to submission for audit.	***	The AG withdrew this query as it was based on incorrect assumptions on their side. Our vat system is based on the payment system and not the invoice system.	Acting CFO: Oupa Kgoete	None	None	None	None	None
166	166. Employee cost - Medical aid contributions paid for an employee which is not on the payroll	Internal Control Deficiency * * Confirmation is not provided to the appropriate level of management that payments are only made to confirmed employees.	***	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto.	Acting CFO: Oupa Kgoete	30-Jun-13	In progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file.	None
167	167. Employee cost - Minimum of 16 days leave are not taken in a leave cycle	Internal Control Deficiency * * There are not appropriate means for example checklists for the monitoring of compliance on a regular basis. * Compliance is not addressed in a timely manner.	***	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto.	Acting CFO: Oupa Kgoete	30-Jun-13	In progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file.	None
168	168. Employee cost - Leave encashment more than 48 days	Internal Control Deficiency * * There are not appropriate means for example checklists for monitoring compliance on a regular basis. * Compliance is not addressed in a timely manner.	***	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto.	Acting CFO: Oupa Kgoete	30-Jun-13	In progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file.	None
169	169. Employee cost - No policy for allowances paid to employees	Internal Control Deficiency * * Documented policies and procedures are not in place to guide the operations of the entity to comply with the relevant legislation and regulations.	***	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto.	Acting CFO: Oupa Kgoete	30-Jun-13	In progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file.	None
170	170. Employee cost - Kilometres claimed not as per the approved kms to be claimed	Internal Control Deficiency * * The accounting officer does not exercise oversight responsibility over reporting and compliance with laws and regulations and internal control. Monitoring process are not routinely communicated to all managers and staff.	***	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto.	Acting CFO: Oupa Kgoete	30-Jun-13	In progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file.	None
171	171. Employee cost - Employee acting for more than 12 months (Not applicable)	Internal Control Deficiency * * Municipality's established organisation structure that places people with appropriate skills is not effective.	***	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto.	Acting CFO: Oupa Kgoete	30-Jun-13	In progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file.	None
172	172. Employee cost - No verification checks of qualifications and references.	Internal Control Deficiency * * Management did not establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes and responsibilities.	***	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto.	Acting CFO: Oupa Kgoete	30-Jun-13	In progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file.	None
173	173. Employee cost - Basic Salary reconciliation for completeness	Internal Control Deficiency * * Implement controls over daily and monthly processing and reconciling of transactions.	***	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto.	Acting CFO: Oupa Kgoete	30-Jun-13	In progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file.	None

174	174. Employee post - Basic salary contracts, appointment letters and ID's	Internal Control Deficiency Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	*** The audit committee did not fulfil its responsibilities as set out in legislation and in accordance with accepted best practice	Total review of Human Resources and Salaries Department as there is a lack of internal controls and mechanisms for accuracy in Employee cost and matters relating thereto.	Acting CFO: Oupa Kgoete	30-Jun-13	In progress	Staff capacity	Review of staff appointments / capacity of staff. Ensure all supporting documents are on file	None
175	175. Compliance: AG matters not responded to	Internal Control Deficiency The audit committee did not fulfil its responsibilities as set out in legislation and in accordance with accepted best practice	*** The audit committee did not fulfil its responsibilities as set out in legislation and in accordance with accepted best practice	The Audit committee must be activated by Internal Audit	Internal Audit	31-Jan-13	In progress	The municipality is using the share	The internal audit unit to activate the Audit	None
176	176. Audit Committee - Did not report to council	Internal Control Deficiency The audit committee did not fulfil its responsibilities as set out in legislation and in accordance with accepted best practice	*** The audit committee did not fulfil its responsibilities as set out in legislation and in accordance with accepted best practice	The Audit committee must be activated by Internal Audit	Internal Audit	31-Jan-13	In progress	The municipality is using the share	The internal audit unit to activate the Audit	None
181	181. Procurement: Completeness of tender register	Internal Control Deficiency oversight responsibility regarding financial and performance reporting and compliance and related Internal controls	*** Exercise	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials	Ms. Mkwelwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
182	182. Procurement - The accounting officer has not within 30 days after financial year end, submitted a report on the implementation o	Internal Control Deficiency The accounting officer does not exercise oversight responsibility over reporting and compliance with laws and regulations and Internal control	*** The accounting officer does not exercise oversight responsibility over reporting and compliance with laws and regulations and Internal control	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials	Ms. Mkwelwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
183	183. Procurement - Awards being made to suppliers who are not on the list of prospective providers	Internal Control Deficiency Compliance with applicable laws and regulations are not monitored	***	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials	Ms. Mkwelwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
184	184. Procurement: Irregular expenditure: Procurement of services deliberately split and services not economical	Internal Control Deficiency Compliance is not monitored on a timely manner	***	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials	Ms. Mkwelwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
185	185. Procurement: Bidder with the highest points scored was not awarded the contract	Internal Control Deficiency end monitor compliance with applicable laws and regulations	*** Review	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials	Ms. Mkwelwa	30-Mar	In progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
227	227. REVENUE: Authorisation of Revenue Journals	Internal Control Deficiency Management should exercise oversight responsibility regarding financial and performance reporting and compliance and related Internal controls	***	For the period under review, a Manager Revenue was only appointed very late in the year. Segregation of duties, and procedural compliance was a problem but improved as soon as the Manager was appointed. All procedure manuals, policies etc should be complied with on a regular basis.	Mr. Mashilo	30 June 2013 and ongoing	In progress	None	Putting Procedure and Policies in place	None
228	228. Revenue- Non compliance with MFMA s64(3)	Internal Control Deficiency accounting officer / accounting authority does not exercise oversight responsibility over reporting and compliance with laws and regulations and Internal control	*** The accounting officer / accounting authority does not exercise oversight responsibility over reporting and compliance with laws and regulations and Internal control	For the period under review, a Manager Revenue was only appointed very late in the year. Segregation of duties, and procedural compliance was a problem but improved as soon as the Manager was appointed. All procedure manuals, policies etc should be complied with on a regular basis.	Mr. Mashilo	30 June 2013 and ongoing	In progress	None	Putting Procedure and Policies in place	None
229	229. Revenue - Procedure Manuals	Internal Control Deficiency controls are not selected and developed to prevent / detect and correct material misstatements in financial reporting and reporting on predetermined objectives Leadership Oversight Responsibility The systems are not documented effectively in the policy and procedures manual and the results of the monitoring process are not routinely communicated to all managers and staff	*** Internal controls are not selected and developed to prevent / detect and correct material misstatements in financial reporting and reporting on predetermined objectives Leadership Oversight Responsibility	For the period under review, a Manager Revenue was only appointed very late in the year. Segregation of duties, and procedural compliance was a problem but improved as soon as the Manager was appointed. All procedure manuals, policies etc should be complied with on a regular basis	Mr. Mashilo	30 June 2013 and ongoing	In progress	None	Putting Procedure and Policies in place	None
234	234. Revenue: Actual unit consumption as per metre reading book decreased when billing on Invoice	Internal Control Deficiency Manual or automated controls are not designed to ensure that the transactions have occurred, are authorised, and are correctly and accurately processed	*** Manual or automated controls are not designed to ensure that the transactions have occurred, are authorised, and are correctly and accurately processed	For the period under review, a Manager Revenue was only appointed very late in the year. Segregation of duties, and procedural compliance was a problem but improved as soon as the Manager was appointed. All procedure manuals, policies etc should be complied with on a regular basis	Mr. Mashilo	30 June 2013 and ongoing	In progress	None	Putting Procedure and Policies in place	None

			For the period under review, a Manager Revenue was only appointed very late in the year. Segregation of duties, and procedural compliance was a problem but improved as soon as the Manager was appointed. All procedure manuals, policies etc. should be complied with on a regular basis.	Mr. Mashilo	30 June 2013 and ongoing	In progress	None	Putting Procedure and Policies in place	None
235	235. Revenue- Segregation of duties	Internal Control Deficiency Segregation of duties to prevent fraudulent data and asset misappropriation is not adequate	For the period under review, a Manager Revenue was only appointed very late in the year. Segregation of duties, and procedural compliance was a problem but improved as soon as the Manager was appointed. All procedure manuals, policies etc. should be complied with on a regular basis.	Mr. Mashilo	30 June 2013 and ongoing	In progress	None	Putting Procedure and Policies in place	None
			For the period under review, a Manager Revenue was only appointed very late in the year. Segregation of duties, and procedural compliance was a problem but improved as soon as the Manager was appointed. All procedure manuals, policies etc. should be complied with on a regular basis.	Mr. Mashilo	30 June 2013 and ongoing	In progress	None	Putting Procedure and Policies in place	None
236	236. Revenue: Fines	Internal Control Deficiency or automated controls are not designed to ensure that the transactions have occurred, are authorised, and are completely and accurately processed	For the period under review, a Manager Revenue was only appointed very late in the year. Segregation of duties, and procedural compliance was a problem but improved as soon as the Manager was appointed. All procedure manuals, policies etc. should be complied with on a regular basis.	Mr. Mashilo	30 June 2013 and ongoing	In progress	None	Putting Procedure and Policies in place	None
239	239. Vat: Work is not reviewed	Internal Control Deficiency Management and staff do not fulfil their duties and responsibilities.	we accept the challenges in this matter and as previously explained have great effort to control the issue	Acting CFO: Oupa Kgoete	30-Jan-13	work in progress	Staff capacity	Putting Procedure and Policies in place	None
241	241. Procurement - Specific details of powers delegated by the CFO were not in writing	Internal Control Deficiency The systems are not documented in the policy and procedures manual and the results of the monitoring process are not routinely communicated to all managers and staff	The Supply Chain Unit was established just before the beginning of the period under review. Although the Municipality did not agree with all the AG Findings, and could provide documents to the contrary, the municipality realizes that the SCM Unit needs to be capacitated and trained in exact compliance. Training should be scheduled and undergone by all officials.	Ms. Mlawanya	30-Mar	in progress	Funding for training and capacitation of staff	Training	EDM / Treasury assistance in training
242	242. Inventory - No review of stock issued out	Internal Control Deficiency or automated controls are not designed to ensure that the transactions have occurred, are authorised, and are completely and accurately processed	we accept the challenges in this matter and as previously explained have great effort to control the issue	Acting CFO: Oupa Kgoete	10-Mar-13	work in progress	Staff capacity	Training	None
244	244. Note 4 of the financial statements and the disclosure of section 125(2)(a) must be separately disclosed	Internal Control Deficiency appropriate level of management does not review in terms of best practices	Corrected	Acting CFO: Oupa Kgoete	Done	Done	Done	Done	Done

Thaba Chweu Local Municipality



Annual Financial Statement for the year ended 30
June 2012



Annual Financial Statements

for

THABA CHWEU LOCAL MUNICIPALITY

FOR THE YEAR ENDED 30 June 2012

AFS rounding: Rounding to the nearest rand

CONTACT INFORMATION

Name of Municipal Manager:	Mr. BS Koma
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Name of Chief Financial Officer:	Mr. S Mabitsela
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Contact telephone number:	(013) 235 7300
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Contact e-mail address:	munmanager@thabachweu.gov.za
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THABA CHWEU LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

General information

Members of the Council			
Executive Mayor		ANC	Cllr. MM Marobela
Speaker		ANC	Cllr. VS Magagula
Chief whip		ANC	Cllr. M C Mashego
Member of the Executive Committee Community and corporate services	MMC	ANC	Cllr. PP Chima
Member of the Executive Committee Planning and Development	MMC	ANC	Cllr. IT Mokoena
Member of the Executive Committee Finance Technical and Engineering	MMC	ANC	Cllr. MC Masilela
Ward Councillor	WARD 1	ANC	Cllr. M T Mashego
Ward Councillor	WARD 2	ANC	Cllr. A K Mathaila
Ward Councillor	WARD 3	ANC	Cllr. J B Nkosi
Ward Councillor	WARD 4	ANC	Cllr. S A Manzini
Ward Councillor	WARD 5	ANC	Cllr. M Mahlangu
Ward Councillor	WARD 6	ANC	Cllr. P S Mokgosinyane
Ward Councillor	WARD 7	ANC	Cllr. J Lekhuleni
Ward Councillor	WARD 8	ANC	Cllr. S E Molobela
Ward Councillor	WARD 10	DA	Cllr. Q Lawrence
Ward Councillor	WARD 11	ANC	Cllr. N M Masemola
Ward Councillor	WARD 12	DA	Cllr. H S Bosshoff
Ward Councillor	WARD 13	ANC	Cllr. J M Kock
Ward Councillor	WARD 14	DA	Cllr. F Essack
Proportional Representative Councillor	proportional	ANC	Cllr. R P Malatsi
Proportional Representative Councillor	proportional	ANC	Cllr. S Mashego
Proportional Representative Councillor	proportional	ANC	Cllr. N S Sambo
Proportional Representative Councillor	proportional	DA	Cllr. E N Mashego
Proportional Representative Councillor	proportional	DA	Cllr. P M Mashego
Proportional Representative Councillor	proportional	DA	Cllr. A B Rabie
Proportional Representative Councillor	proportional	PAC	Cllr. J A Maolele

Municipal Manager

Mr. BS Koma

Acting Chief Financial Officer

Mr. S Mabitsela

Grading of Local Authority

Low Capacity

Auditors

Auditor-General of South Africa

Bankers

ABSA Bank Ltd



THABA CHWEU LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

General information (continued)
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Registered Office:	Mashishing
Physical address:	Cnr Viljoen & Sentraal Street Mashising 1120
Postal address:	PO Box 61 Mashising 1120
Telephone number:	(013) 235 7300
Fax number:	(013) 235 1108
E-mail address:	munmanager@thabachweu.gov.za



THABA CHWEU LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012

Index	Page
Statement of Financial Position	6
Statement of Financial Performance	7
Cash Flow Statement	8
Statement of Changes in Net Assets	9
Accounting Policies	10 - 21
Notes to the Annual Financial Statements	22 -39
Appendix A: Schedule of External Loans	40
Appendix B: Analysis of Property, Plant and Equipment	40 - 41
Appendix C: Segmental Analysis of Property, Plant and Equipment	42
Appendix D: Segmental Statement of Financial Performance	43 - 44
Appendix E : Statement of comparative and actual information	45



THABA CHWEU LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Note	2012 R	2011 R
ASSETS			
Current assets			
Cash and cash equivalents	<input checked="" type="checkbox"/> J.8.12: LS 1	960,377	6,855,924
Trade and other receivables from exchange transactions	2	27,560,137	22,104,084
Other receivables from non-exchange transactions	<input checked="" type="checkbox"/> J.1.3: L/S 4	13,531,179	10,369,034
Other current financial assets		12,197,150	-
Inventories	<input checked="" type="checkbox"/> J.6.3: LS 5	4,582,202	1,530,122
VAT receivable	<input checked="" type="checkbox"/> J.16.3: LS 11	1,839,606	-
Non-current assets			
Investments	<input checked="" type="checkbox"/> J.9.3: LS 6	9,361,289	9,887,785
Investment property carried at fair value	<input checked="" type="checkbox"/> J.17.1: LS 35	149,388,200	-
Property, plant and equipment	7	961,520,267	1,604,120,976
Total assets		1,180,940,387	1,654,867,925
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	<input checked="" type="checkbox"/> J.3.3: LS 8	146,916,234	70,775,654
Accruals Staff Bonus		1,206,202	-
Consumer deposits	<input checked="" type="checkbox"/> J.15.3: LS 9	3,789,366	3,246,727
Creditors unallocated deposits		9,854,158	-
VAT payable	10	-	9,524,154
Current provisions	<input checked="" type="checkbox"/> J.14.3: LS 12	1,790,926	9,115,041
Bank overdraft	<input checked="" type="checkbox"/> J.8.12: LS 1	2,972,089	-
Current portion of unspent conditional grants and receipts	13	1,401,473	4,097,558
Current portion of borrowings	14	507,495	507,485
Non-current liabilities			
Non-current borrowings	<input checked="" type="checkbox"/> J.13.3: LS 14	9,252,402	9,759,906
Total liabilities		189,096,296	107,026,525
Net assets		991,844,091	1,547,841,400
NET ASSETS			
Reserves revaluation of assets		(1,001,893,687)	(1,604,120,976)
Accumulated surplus / (deficit)		10,049,596	56,279,576
Total net assets		(991,844,091)	(1,547,841,400)

**GE-ODIT
AUDITED**

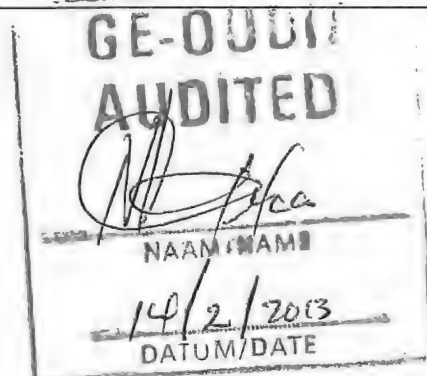
NAAM: NAME

14/2/2013
DATUM/DATE



THABA CHWEU LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2012

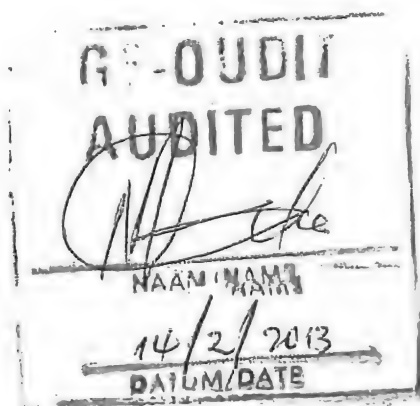
	Note	2012 R	2011 R
Revenue			
Revenue from exchange transactions		141,278,079	119,182,305
Service charges	16	114,598,313	110,900,217
Rental of facilities and equipment	17	567,039	516,154
Interest earned - external investments	18	-	39,252
Accrued staff bonus		1,840,008	
Interest earned - outstanding receivables	19	6,237,501	441,787
Department transport agency fees nett income		7,413,663	3,807,915
Other income	21.1	10,621,554	3,476,980
Revenue from non-exchange transactions		130,878,689	115,448,489
Property rates	15	34,816,501	32,761,694
Fines	21.2	901,276	1,599,164
Government grants and subsidies	20	95,160,913	81,087,631
Total revenue		272,156,768	234,630,794
Expenses			
Employee related costs	22	85,972,876	70,294,075
Remuneration of councillors	23	7,261,688	4,539,763
Expanded Public Works Program Expenditure		5,715,648	-
Bad debts		-	-
Depreciation		53,606,034	
Corrections to moveable assets		940,641	
Internal departmental charges		-	30,979,933
Depreciation and amortisation expense	24	-	-
Repairs and maintenance		27,403,653	4,576,497
Finance costs	24	1,563,607	1,432,872
Bulk purchases	25	93,307,066	79,264,755
Contracted services	26	30,765,628	9,563,324
Grants and subsidies paid	27	32,588,098	16,798,112
General expenses	28	36,190,048	31,968,897
Total expenses		375,314,987	249,418,228
Surplus / (deficit) for the period		(103,158,218)	(14,787,434)
Profit / (loss) on fair value adjustment investment property	35	149,388,200	-
Surplus / (deficit) for the period		46,229,982	(14,787,434)





THABA CHWEU LOCAL MUNICIPALITY
CASH FLOW STATEMENT
AS AT 30 JUNE 2012

Note	2012 R	2011 R
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts	255,994,236	234,705,886
Sales of goods and services		
adjustment	4,058,433	3,807,915
sales of goods and services	138,506,383	144,253,157
fines		1,599,164
Grants	95,160,913	81,087,631
interest received	6,237,501	481,039
other receipts	12,031,006	3,476,980
Payments	263,216,419	218,436,576
Employee costs	98,950,212	74,833,838
Suppliers	87,597,602	110,202,689
Interest paid	1,563,607	1,431,152
Other payments	75,104,998	31,968,897
	(7,222,183)	16,269,310
Cashflow from investing activities	525,516	-
Proceed from sale of investments	525,516	-
CASH FLOWS FROM FINANCING ACTIVITIES	(507,494)	4,811,064
Repayment of borrowings	(507,494)	3,203,019
Repayment of borrowings	-	1,608,045
Net increase / (decrease) in net cash and cash equivalents	(7,204,161)	21,080,374
Net cash and cash equivalents at beginning of period	6,855,924	(7,858,407)
Net cash and cash equivalents at end of period	(8,767,586)	6,855,924
	(1,911,662)	14,714,331





**THABA CHWEU LOCAL MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE PERIOD TO 30 JUNE 2012**

**GE-AUDIT
AUDITED**

[Signature]

NAAM/NAME

14/2/2013

DATUM/DATE

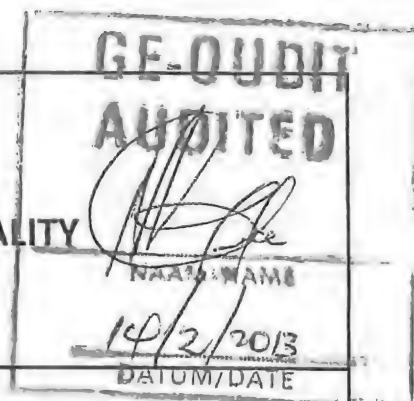
	Revaluation Reserve R	Other reserves R	Total: Reserves R	Accumulated Surplus/(Deficit) R	Total: Net Assets R
Balance at 30 June 2009	5,251,996		5,251,996	91,719,941	96,971,937
Changes in accounting policy	-5,251,996	41,106,272	35,854,276	-35,854,276	0
Other Items	0	0	0	12,072,218	12,072,218
Surplus / (deficit) for the period	0	0	0	-14,880,284	-14,880,284
Balance at 30 June 2010	0	41,106,272	41,106,272	53,057,599	-94,163,871
OPENING BALANCE 1 JULY 2010					
Subtotal Transaction for 2010/2011					-94,163,871
Correction journals for 2010/2011					5,126,361
Correction journals for 2010/2012				-71,242,133	
Subtotal Net internal corrections OVERS AND UNDER AG DIRECTIVES AND EXCEPTION CORRECTIONS				76,368,494	
AG overs and unders corrections for 2010/2011 first group					47,468,555
AG overs and unders corrections for 2010/2011 second group				83,836,085	
Surplus / (deficit) for the period 2010/11				-36,367,530	
CLOSING BALANCE 30 JUNE 2011					-14,710,622
ASSETS TAKEN UP INTO ACCUMULATED SURPLUS ON THE ACTUAL COST METHOD refer to note 32 and note 33					-56,279,577
CLOSING NET EFFECT					1,604,120,976
					1,547,841,399

ACCUMULATED SURPLUS 30 JUNE 2012		10,049,596
OPENING BALANCE UNAPPROPRIATED SURPLUS 1 JULY 2011		
STOCK WATER ADJUSTED AGAINST ACCUMULATED SURPLUS		56,279,577
DECREASE IN ABSA CAPITAL INVESTMENTS		
STOCK HELD FOR AUCTION		
SUNDRIES VATABLE WRITTEN BACK FROM PRIOR YEAR		
UNIT TRUST PRICE INCREASES FAIRBARN CAPITAL		
CORRECTION OF VAT RECEIVABLE PER SARS STATEMENT		
DECREASE IN INVESTMENT		
PROVISION CREDITOR MIG UNSPENT		
MOVEMENT OTHER CORRECTIONS		
STAT OF POSITION INTERNAL CORRECTIONS		
(PROFIT) / LOSS current year		
RESERVE REVALUATION OF ASSETS		-46,229,982
BALANCE AT 30 JUNE 2012		
2011/2012 REVALUATION PROCESS : ADDITIONS TO FAR		-1,604,120,975
2011/2012 REVALUATION PROCESS : CORRECTIONS TO FAR		
2011/2012 REVALUATION PROCESS : DEPRECIATION CALCULATION		
2011/2012 REVALAUTION PROCESS : INTERNAL CORRECTIONS NETT		595,924,813.81
REVALUATION OF LAND FILL SITES PROVISION FOR REHABILITATION		6,302,474
		-1,001,893,687



THABA CHWEU LOCAL MUNICIPALITY

ACCOUNTING POLICIES



1 BASIS OF ACCOUNTING

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost

The financial statements have been prepared in accordance with the standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board (ASB) and approved by the Minister of Finance as effective unless otherwise stated

The ASB has issued a directive which sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy as set out in the standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

Where a Standard of GRAP is approved as effective, it replaces the equivalent Statement of IPSAS, IFRS or SA GAAP. Where a standard of GRAP has been issued, but not yet in effect, an entity may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying paragraph .12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

In the process of applying the Municipality's accounting policies, management has made the following significant accounting judgments, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

1.1.1 Operating lease commitments – Municipality as lessor

Municipality has entered into commercial property leases on its property portfolio. The Municipality has determined that it retains all the significant risks and rewards of ownership of these properties, and so accounts for them as operating leases.

1.1.2 Pension and other post-employment benefits

The cost of defined benefit pension plans and other employment medical benefits is determined using actuarial valuations when available. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.1.3. Impairment of trade receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

1.1.4. Property, plant and equipment

The useful lives of assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

1.1.5 Provisions and contingent liabilities

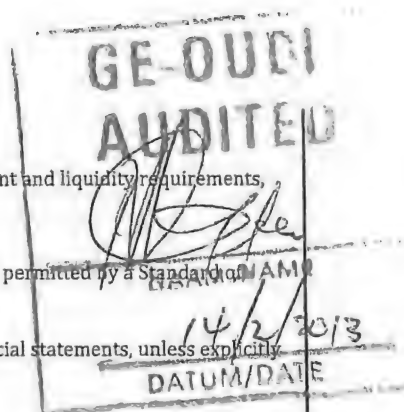
Management judgement is required when recognising and measuring provisions, and when measuring contingent liabilities respectively. Provisions are discounted where the effect of discounting is material using actuarial valuations.

1.1.6 Held -to-maturity financial assets

Management has reviewed the held-to-maturity financial assets in the light of its capital management and liquidity requirements, and has confirmed the positive intention and ability to hold those assets to maturity.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard or GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.



1.2 PRESENTATION CURRENTY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1.4 COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

1.5

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 8 Interest in Joint Ventures - issued August 2006
GRAP 18 Segment Reporting - issued March 2005
GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008
GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007
GRAP 103 Heritage Assets - issued July 2008

The following standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted by the municipality:

IAS 19 Employee Benefits - effective 1 January 2009
IFRIC 17 Distribution of Non-cash Assets to Owners - effective 1 July 2009

2 PROPERTY, PLANT AND EQUIPMENT

2.1 INITIAL RECOGNITION

Property, plant and equipment are stated at fair value. Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the assets are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance, and is expensed.

The Municipality maintains and acquires assets to provide a social service to the community, with no intention of disposing of the assets for any economic gain, and thus no residual values are determined other than for motor vehicles.

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the carrying amount and the net proceeds. Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready for its intended use. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or, where appropriate, the term of the relevant lease and recognised in the Statement of Financial Performance.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

2.2 SUBSEQUENT MEASUREMENT - REVALUATION MODEL (BUILDINGS AND INFRASTRUCTURE)

The DRC value was reviewed for the year ended 30 June 2011 (and applied retrospectively where practicable), and any changes therein have been implemented in accordance with the requirements of GRAP 17, GRAP 3 and ASB Directive 4.

or

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise all the Property, plant and equipment in accordance with GRAP 17 for the financial years up to 30 June 2010. The municipality has identified and measured all Property, plant and equipment in terms of GRAP 17 for the financial year ended 30 June 2011. The balances of the Property, plant and equipment have been retrospectively restated accordingly.

Subsequent to initial recognition, land and buildings are carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

The Municipality has taken advantage of the transitional provisions permitted by the ASB as set out in Directive 4 in the 2010/2011 AFS with respect to GRAP 17.

Buildings and infrastructure was revalued at DRC

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

2.3 SUBSEQUENT MEASUREMENT - COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

2.4 DEPRECIATION AND IMPAIRMENT

2.4.1 Impairment of property, plant and equipment

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

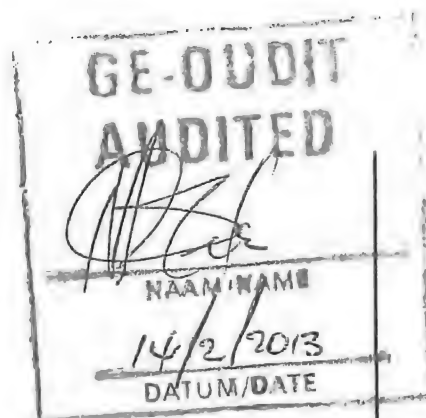
2.4.2 Depreciation rates

Depreciation is calculated on cost, using the straight-line method, over the estimated useful lives of the assets. The residual value, depreciation method and useful life, if not insignificant, are reassessed annually. The depreciation rates are based on the following estimated useful lives:

Infrastructure		Other
Roads and Paving	30	



Electricity	45	Bins and containers	5
Water	50	Office equipment	5
Sewerage	50	Furniture and fittings	7-10
		Landfill sites	50
		Computer equipment	3
Community			
Buildings	30		
Recreational Facilities	20-30		
Security	5		
Halls	30		
Libraries	30		
Parks and gardens	20-30		



The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

2.5 DERECOGNITION

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

3 INTANGIBLE ASSETS

3.1 INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

3.2 SUBSEQUENT MEASUREMENT - COST MODEL

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

3.3 AMORTISATION AND IMPAIRMENT

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.



3.4 DERECOGNITION

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

4 INVESTMENT PROPERTY

4.1 INITIAL RECOGNITION

4.1.2 INVESTMENT PROPERTIES

Investment properties are held to earn rental income, and for capital appreciation, and are stated at fair value less accumulated depreciation. Investment properties are written down for impairment where considered necessary.

Investment property excludes owner-occupied property that is used in the production or supply of goods or services, or for administrative purposes, or property held to provide a social service. Investment property other than vacant land is depreciated on the straight-line basis over the useful lives of the assets estimated at 20 to 50 years.

The cost of self-constructed investment property is the cost at date of completion.

SUBSEQUENT MEASUREMENT - FAIR VALUE MODEL

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

5 BIOLOGICAL ASSETS

The Municipality does not have any biological assets.

6 NON-CURRENT ASSETS HELD FOR SALE

6.1 INITIAL RECOGNITION

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

6.2 SUBSEQUENT MEASUREMENT

Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition applies only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its present condition. Assets classified as held-for-sale are measured at the lower of the asset's carrying amount or fair value less cost to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

7 INVENTORIES

7.1 INITIAL RECOGNITION

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. In general, the basis of determining cost is the weighted average cost of commodities.

Water and purified effluent are valued at purified cost insofar as it is stored and controlled in reservoirs at year-end. A rate for raw water is approved by Council and used for valuation.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs, if the costs occur frequently and are separately identifiable.

Cost of inventory comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

When inventories are sold, distributed, written off or consumed, the carrying amount of those inventories is recognised as an expense in the period in which the related income is recognised, unless that cost qualifies for capitalisation to the cost of another asset. Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

7.2 SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the first-in, first-out method OR the weighted average method.

8 FINANCIAL INSTRUMENTS

8.1 INITIAL RECOGNITION

Financial instruments are initially recognised at fair value.

8.2 SUBSEQUENT MEASUREMENT

Financial instruments are recognised when the Municipality becomes a party to the contractual provisions of the instrument, and are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the Statement of Financial Performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the Municipality has transferred substantially all risks and rewards of ownership, or when the enterprise loses control of contractual rights that comprise the assets. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expires.

Financial assets

The Municipality classifies its financial assets into the following categories:

- held-to-maturity.

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DATUM/DATE

- loans and receivables.

- available-for-sale;

and

- fair value through profit and loss.

The classification depends on the purpose for which the financial asset is acquired, and is as follows:

- Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity, where the Municipality has the positive intent and ability to hold the investment to maturity. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of

- Financial Performance in the period in which it arises.

- Receivables are financial assets that are created by providing money, goods or services directly to a debtor. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.

- Available-for-sale financial assets are financial assets that are designated as available for sale, and are subsequently measured at fair value at Statement of Financial Position date, except for investments in equity instruments that do not have quoted market prices in an active market, and whose fair value cannot be reliably measured, which shall be measured at cost. Any adjustment is recorded in the Statement of Changes in Net Assets in the period in which it arises. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. The fair value of financial instruments classified as available-for-sale is their quoted bid price at the Statement of Financial Position date.

- Fair value through profit and loss financial assets include derivative financial instruments used by the Municipality to manage its exposure to fluctuations in interest rates attached to certain of its external borrowings interest swap agreements. Any fair value adjustment is recorded in the Statement of Financial Performance in the period in

- which it arises. To the extent that a derivative instrument has a maturity period of longer than a year, the fair value of these instruments will be reflected as a non-current asset or liability, and is subsequently measured at fair value at Statement of Financial Position date. An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

8.2.1 INVESTMENTS

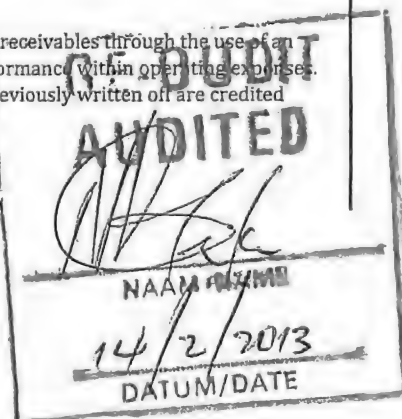
Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

8.2.2 TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. The amortised cost of a financial asset is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility allowance account) for impairment or uncollectibility. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

8.2.3 TRADE PAYABLES AND BORROWINGS



Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

8.2.4 CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

9 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the investor has significant influence and which is neither a controlled entity nor a joint venture of the investor. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies. The municipality exercises judgement in the context of all available information to determine if it has significant influence over an investee.

The equity method involves recognising the investment initially at cost, then adjusting for any change in the investor's share of net assets of the associate since it acquired it. A single line-item in the Statement of Financial Performance presents the investor's share of the associate's surplus or deficit for the year.

The municipality commences accounting for an investment in an associate from the date that significant influence exists and discontinues the application of the equity method when it no longer has significant influence over an associate. Investments that are retained in whole or in part are subsequently accounted for in accordance with the accounting policies on subsidiaries, joint ventures or financial instruments depending on the nature of the retained investment.

The municipality uses the most recent available financial statements of the associate in applying the equity method. Where the reporting periods of the associate and the municipality are different, separate financial statements for the same period are prepared by the associate unless it is impracticable to do so. When the reporting dates are different, the municipality makes adjustments for the effects of any significant events or transactions between the investor and the associate that occur between the different reporting dates. Adjustments are made to ensure consistency between the accounting policies of the associate and the municipality.

10 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

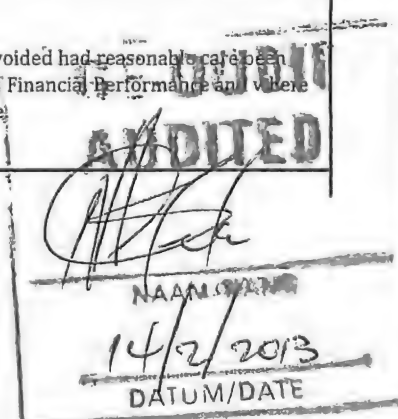
11 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

12 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

13 PROVISIONS



Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

13.1. ENVIRONMENTAL REHABILITATION PROVISIONS

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the Municipality's policy, taking into account current technological, environmental and regulatory requirements.

The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

(b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

14 LEASES

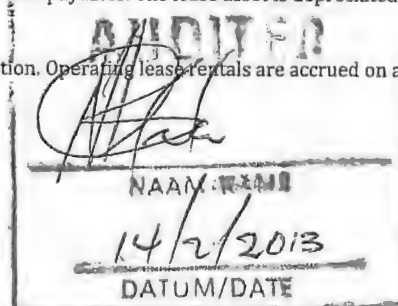
14.1 MUNICIPALITY AS LESSEE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

14.2 MUNICIPALITY AS LESSOR



Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

15 REVENUE

15.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption. Meters are read on a quarterly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

15.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment, qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

15.3 GRANTS, TRANSFERS AND DONATIONS



15.3.1 CONDITIONAL GRANTS AND RECEIPTS

Income received from conditional grants, donations and subsidies is recognised to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised and funds invested until it is utilised. Interest earned on the investment is treated in accordance with grant conditions.

15.3.1.1 Grants and receipts of a revenue nature

Income is transferred to the Statement of Financial Performance as revenue to the extent that the criteria, conditions or obligations have been met.

15.3.1.2 Grants and receipts of a capital nature

Income is transferred to the Statement of Financial Performance to the extent that the criteria, conditions or obligations have been met.

16 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

17 RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are (when available) actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. Specific actuarial information in respect of individual participating municipalities is unavailable due to centralised administration of these funds. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

18 CONSTRUCTION CONTRACTS AND RECEIVABLES

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

19 IMPAIRMENT OF ASSETS

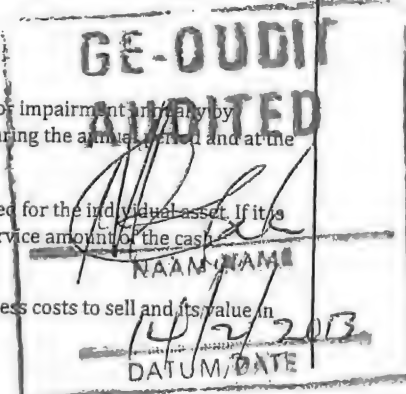
The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual audit and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.



If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

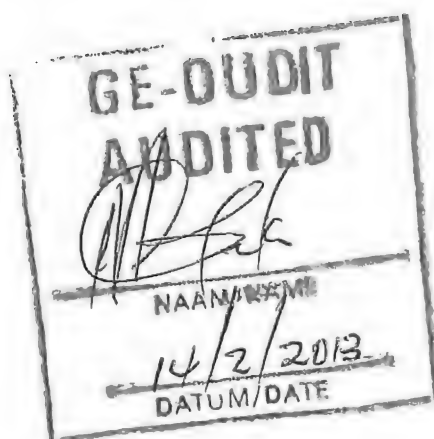
An impairment loss is recognised for cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.





THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
CASH AND CASH EQUIVALENTS (DISCLOSURE: MFMA S125 (2) (a))		
Cash and cash equivalents consist of the following.	960,377	6,855,924
Cash on hand	6,690	6,690
Cash at bank (ABSA SABIE, ABSA LYDENBURG, FNB)	953,687	6,849,234

The Municipality has the following bank accounts: -

BANK ACCOUNT ABSA LYDENBURG	30 JUNE 2012	POSITIVE		857,472
BANK ACCOUNT ABSA SABIE	30 JUNE 2012	POSITIVE		21,998
BANK ACCOUNT FNB	30 JUNE 2012	POSITIVE		74,218
BANK ACCOUNT STANDARD BANK	30 JUNE 2012	OVERDRAFT		(2,872,039)

Current Account (PRIMARY BANK ACCOUNTS)

ABSA BANK LYDENBURG BRANCH ACCT NO 1010002018		6,755,063	
ABSA BANK SABIE BRANCH ACCT NO 4058264705		-	
Cash book balance at beginning of year ABSA Sabie	6,755,063	1,856,001	
Cash book balance at beginning of year ABSA Lydenburg		101,804	
Cash book balance at end of year	-	6,755,063	
Bank statement balance at beginning of year (ABSA SABIE & LYDENBURG consolidated prior year)	6,755,063	1,754,197	
Bank statement balance at end of year (ABSA SABIE & LYDENBURG consolidated prior year)		6,755,063	
TOTAL ABSA SABIE BANK STATEMENT	21,998		
TOTAL ABSA LYDENBURG BANK STATEMENT	857,472		

In terms of sect MFMA sect 8(1)(b) the ABSA Sabie branch account is the primary bank account for the financial year 2011/12.

Current Account (OTHER BANK ACCOUNTS)

STANDARD BANK ACCT NO 243203365 NELSPRUIT BRANCH			
Cash book balance at beginning of year	-	-	
Cash book balance at end of year	-	-	
Bank statement balance at beginning of year	-	-	
TOTAL STANDARD BANK BALANCE	(2,872,039)	-	

In terms of sect MFMA sect 8(1)(b) the STANDARD BANK account will become the primary bank account for the financial year 2012/13 on 1 July 2012.

FIRST NATIONAL BANK LYDENBURG ACCT NO 62026324046			94,171
Cash book balance at beginning of year	94,171	2,076,437	
Cash book balance at end of year	-	94,171	
Bank statement balance at beginning of year	94,171	2,076,437	
Bank statement balance at end of year	74,218	94,171	
Cash on hand	-	6,690	
TOTAL FNB BANK BALANCE	74,218	6,855,924	

In terms of sect MFMA sect 8(1)(b) the FIRST NATIONAL BANK account were closed during the financial year 2011/12 and this year will be the final disclosure of this account.

TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade receivables	2012	2012	2012	2012	2012	2012
	Balance before corrections	Internal charges correction	Gross Balances	LESS: Provision for Doubtful Debts	DEBTORS WITH CREDIT BALANCES	Net Balance trade receivables from exchange transactions
as at 30 June 2012						
Service debtors						
Debtors Electricity	19,907,212	-		-14,504,714.50		5,402,498
Debtors Water	27,317,503	-		-19,903,971.75		7,413,532
Debtors Sewerage	8,495,648	-		-6,190,065.86		2,305,582
Debtors Refuse	3,097,557	-		-2,256,929.88		840,627
Total	58,817,921	-	-	-42,855,682	11,597,898	27,560,137
debtors : parked debtors ("Capital" and "Current")	82,501,558	-		-82,501,558		-
Total Trade receivables from exchange transactions	141,319,479	-	-	-125,357,240	11,597,898	27,560,137



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

					2012 R	2011 R
2.2		2011	2011	2011	2011	2011
		Balance before corrections	Internal charges correction	Gross Balances	LESS: Provision for Doubtful Debts	Net Balance trade receivables from exchange transactions
as at 30 June 2011					LESS : Fair value additional audit provision increase	
Debtors Electricity		41,753,568	(25,026,922)	16,726,646	1,142,920	3,064,648
Debtors Water		24,414,937	432,903	24,847,840	1,697,889	4,552,556
Debtors Sewerage		7,473,650	19,594	7,493,244	511,948	1,372,969
Debtors Refuse		3,364,339	37,102	3,401,441	232,313	623,316
Total		77,006,494	(24,537,323)	52,469,171	3,585,070	9,613,489
plus creditors with creditors balance transferred to creditors		12,490,595		12,490,595	-	12,490,595
Prior year parked debtors				82,501,558	-	-
Total Trade receivables from exchange transactions		89,497,089	(24,537,323)	147,461,324	121,772,170	22,104,084

2.3 AGE ANALYSIS

GENERAL LEDGER TARIFF FILE	Total balance	<30 days balance	<60 days balance	<90 days balance	<120 days balance	<150 days balance	<180 days balance
DEBTORS FROM EXCHANGE TRANSACTIONS							
PFO6VATOLD		0.00	0.00	0.00	0.00	0.00	0.00
SUSPENSE	2 579 735.81	0.00	0.00	0.00	0.00	0.00	0.00
PFO6VACUUM1	-199 057.35	74.81	74.81	74.81	74.81	74.81	1 586.65
PFO6SUNDRVAT	3 778 426.52	30 861.51	16 550.28	13 999.94	15 468.38	16 378.55	4 355 278.35
PFO6SUNDRNC1	35 292.47	6 861.32	2 828.36	1 985.15	1 985.15	1 939.85	33 846.50
PFO6SEWERAGE	9 495 648.36	718 692.58	430 505.82	425 312.30	394 275.98	373 019.57	6 538 679.69
PFO6RENT1	55 031.92	21 875.04	1 822.16	1 637.16	1 637.16	1 637.16	54 695.11
PFO6REFUSED01	3 097 537.13	779 429.29	341 297.44	272 415.77	255 820.88	229 634.01	3 026 679.25
PFO6PARK1	9 235 700.74	0.00	0.00	0.00	0.00	0.00	9 235 717.39
PFO6PARKCAPITAL	70 466 502.02	0.00	0.00	0.00	0.00	0.00	0.00
PFO6LOANS1	-23.31	0.00	0.00	0.00	0.00	0.00	0.00
PFO6LOANSJCAPITAL	4 816.31	0.00	0.00	0.00	0.00	0.00	0.00
PFO6ELECTR1	12 239 527.35	4 158 322.65	1 130 432.64	1 209 356.57	566 725.17	759 501.28	11 404 680.80
PFO6WATER1	27 317 503.38	4 651 369.48	1 097 336.10	1 651 090.05	1 126 184.28	570 602.10	20 159 518.56
DEBTORS FROM NON EXCHANGE TRANSACTIONS							
PFO6RATES1	13 531 179.78	2 124 549.46	1 146 645.95	985 292.51	885 220.69	782 848.82	13 207 008.86
TOTAL							
	144 135 861.22	10 393 227.02	2 860 248.61	3 605 813.76	2 762 276.41	2 084 807.44	55 870 192.30

2.4	Balance at beginning of the year	125,357,240	44,471,793
	Contributions to provision	-	82,501,558
	Doubtful debts written off against provision	-	(1,616,111)
	Reversal of provision	-	-
	Balance at end of year	125,357,240	125,357,240

3 OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Rates and other taxes	13,531,179	10,369,034
Total Other Debtors	13,531,179	10,369,034

4 OTHER CURRENT FINANCIAL ASSETS

Other debtors		12,197,150	-
CASHIERS CASH SUSPENSE	9401/9401/9402	1,208,021	-
CRYSTAL SPARKLE TRADING 98CC	7210/7238/7238	327,435	-
DBSA CONSOLIDATED ARREARS;RE	7001/7026/7005	1,350,901	-
DEBTORS		54,999	-
DEBTROS BARKO		2,000	-
DEPT PROVINCIAL & LOCAL GOVE	9701/9715/1841	78,662	-
ISSUE BAD DEBTS	9121/9141/9103	1,156,014	-
LOANS		47	-
LOANS		4,870	-
MODA WOMEN/BLUE MAGNOLIA JV;	7210/7234/7234	27,791	-
NKUKELA ELECTRICAL CC;MIG/MP	7210/7232/7232	24,206	-
RD TJEKS DEBTORS SUNDRY	9401/9401/9406	177,043	-
RENT		33,823	-
SUNDRIES VATABLE;TRANSACTION	9100/9110/9103	418,413	-
RENT;TRANSACTIONS FOR YEAR	9100/9108/9103	56,841	-
RENTSHE ENTERPRISE;W/MP/7699	7210/7233/7233	106,914	-
SALARY CONTROLS;SALARY (GROU	9501/9501/9517	2,322,155	-
SEEMO NTLEMO CONSTRUCTION JV	7210/7239/7239	61,544	-
SPEARHEAD VENTURES CC;MIG/MP	7210/7237/7237	192,303	-
SUNDRIES (NO VAT);TRANSACTION	9100/9109/9103	42,165	-
SUNDRIES NON VATABLE		23,533	-
SUNDRIES VATABLE		4,526,045	-
SUNDRY CONTROLS;VOTES - NON	9501/9581/9595	797,629	-
TIGER BUSINESS ENTERPRISES;M	7210/7236/7236	231,546	-
UNCLAIMED DEPOSITS;UNKNOWN D	9501/9581/9581	7,133	-
VACUUM TANK		-198,956	-
VACUUM TANK;TRANSACTIONS FOR	9100/9106/9103	898	-

**RE-AUDIT
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NAAM: NAME

DATUM/DATE



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

		2012 R	2011 R
5 INVENTORIES		4,582,202	1,530,12
5.1 Opening balance of inventories:		2,075,567	1,980,49
Consumable stores - at cost		1,530,122	1,850,94
Consumable stores - prior year correction		-	129,55
Water (estimated for future comparative purposes)		545,445	-
5.2 Additions:		24,589,784	1,035,88
Consumable stores		1,435,480	1,035,88
Other goods held for resale		-	-
Water (estimated for future comparative purposes)		23,154,304	-
5.3 Issued (expensed):		(22,783,304)	(1,486,25)
Consumable stores		-	(1,486,25)
Water (estimated for future comparative purposes)		(22,783,304)	-
5.4 Closing balance of inventories:		4,582,202	1,530,12
Consumable stores		2,965,602	1,530,12
electricity stock		588,155	-
Other goods held for resale (AUCTION STOCK)		132,000	-
Water (estimated for future comparative purposes)		916,445	-
5.5 Disclosure stock water 2011 (opening balances)			

ESTIMATE			
SABIE			
GRASKOP	LYDENBURG		
420,481	2,545,121		

In terms of directive 4 (GRAP 12 INVENTORIES) the municipality adopted the position that individual entities are not required to measure inventories (in this case stock water) in accordance with the requirements of the standard of GRAP on inventories for reporting periods beginning on or after a date within 3 years following the initial adoption of the standard. An amount of R 221 805.00 were considered as opening stock and is an estimate and is based upon certain assumptions and is for comparative purposes only

5.6 Disclosure stock water 2012 (closing balances)

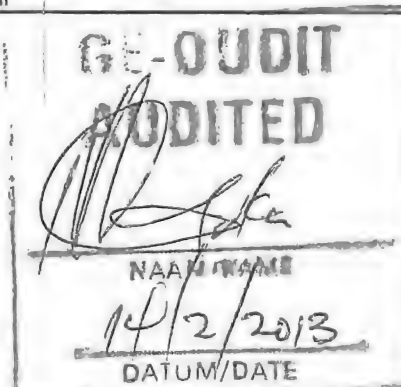
The capacity (volume) of water that is stored (controlled) in reservoirs and pipes were calculated. Detailed plans of the municipality's water reticulation systems were obtained which indicate the length and diameter of the water pipes used in the reticulation system. The volume of water stored in the pipes were calculated based on these detailed plans. All reservoirs of the municipality were identified and each reservoir's capacity were determined. Dip readings and estimations thereof were taken at every reservoir as at 30 June 2012. Thaba Chweu Municipalities that will prepare their first GRAP compliant annual financial statements as at 30 June 2011, made an estimation of the dip-readings as at 30 June 2010 to enable the disclose a comparative figure for water inventory. The FIFO method are used as the most accurate cost calculation for purchased water as water that is purchased first is also sold first. Thus value purchased water at year end by utilising the FIFO methodology and multiplying purchased water on hand at year-end with the latest purchase price represents the above costing formula.

6 INVESTMENTS

Financial Instruments

Listed Investments	1,057,067	970,09
Other Investments (Pledged Investments)	8,304,202	8,917,68
	9,361,269	9,887,78

Included in the investments is an amount of R8 304 202 (2011: R8 917 688) that represents an initial deposit of R845 000 which was invested with the Public Investment Commissioners in 1993 as a loan redemption fund and stand as security for the repayments of the local stock loan No E30.R9 242 402 which will mature in 2013. The expected yield on this investment will be 4.5 % till maturity with a maturity value of R 8 677 891.00 which will be offset against the loan redemption





THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

PROPERTY, PLANT AND EQUIPMENT									
7.1	Reconciliation of Carrying Value	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	landfill sites	Total
	CURRENT PERIOD	R	R	R	R	R	Moveable R	R	R
	as at 1 July 2011	49,831,972	48,938,000	1,504,311,150	-	-	1,039,854	-	1,604,120,976
	Cost/Revaluation	49,831,972	48,938,000	1,504,311,150	-	-	1,039,854	-	1,604,120,976
	Acquisitions	-	-	7,870,784	-	-	-	-	7,870,784
	Depreciation	-	(7,447,558)	(36,055,969)	(4,603,510)	(198,875)	-	-	(48,305,912)
	Carrying value of disposals	-	-	-	-	-	(6,240,764)	-	(6,240,764)
	Cost/Revaluation	-	-	-	-	-	(940,641)	-	(940,641)
	Accumulated depreciation and impairment losses	-	-	-	-	-	(5,300,123)	-	(5,300,123)
	Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-
7.2	Transfers	-	-	-	-	-	-	-	-
	CHANGE IN ESTIMATE 01 JULY 2011	77,489,633	56,149,075	(769,883,852)	28,922,553	1,269,571	9,799,720	328,484	(595,924,817)
	as at 30 June 2011	127,321,605	97,639,517	706,242,113	24,319,043	1,070,696	4,598,810	328,484	961,520,267
	THABA CHWEU LOCAL MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2011								
	Reconciliation of Carrying Value	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease	Total
	PRIOR PERIODS	R	R	R	R	R	R	assets R	R
	as at 1 July 2010	0	0	0	0	0	115,437,168	0	115,437,168
	Cost/Revaluation	0	0	0	0	0	0	0	0
	Correction of error	0	0	0	0	0	0	0	0
	WRITTEN BACK TO ACCUMULATED DEFICIT	0	0	0	0	0	-115,437,168	0	-115,437,168
Change in accounting policy (note 47)	0	0	0	0	0	0	0	0	
Accumulated depreciation and impairment losses	0	0	0	0	0	0	0	0	
Carrying value of movements	49,831,972	48,938,000	1,504,311,150	0	0	1,039,854	0	1,604,120,976	
Cost/Revaluation new take on EU data	49,831,972	48,938,000	1,504,311,150	0	0	1,039,854	0	1,604,120,976	
as at 30 June 2011	49,831,972	48,938,000	1,504,311,150	0	0	1,039,854	0	1,604,120,976	
Cost/Revaluation	49,831,972	48,938,000	1,504,311,150	0	0	1,039,854	0	1,604,120,976	
Refer to Appendix B for more detail on property, plant and equipment									



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

	Note	2012 R	2011 R
8	TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade creditors		118,803,837	54,346,288
consumer debtors with credit balances		11,597,898	12,490,595
Payments received in advance		887,113	-
Retentions		-	-
Staff leave accrual		-	1,000,721
Other creditors		184,201	-
Other creditors		15,443,187	2,938,050
Total creditors		146,916,235	70,775,654
The fair value of trade and other payables approximates their carrying amounts.			
9	CONSUMER DEPOSITS		
Electricity and Water		3,789,370	3,246,727
Accrued interest		-	-
Total consumer deposits		3,789,370	3,246,727
deposits generate no interest as per council decision			
10	VAT PAYABLE		
VAT payable		-	9,524,154
VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.			
11	VAT RECEIVABLE		
VAT receivable		1,839,606	-
		1,839,606	-
VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors. The amount receivable and payable are offset against each other and only the nett effect is shown in the statement of position			
12	CURRENT PROVISIONS		
Provision for leave		6,994,448	6,923,488
Provision for staff bonus		0	2,191,550
Provision for rehabilitation of landfill sites		6,302,478	-
Total Provisions		13,296,926	9,115,041
Performance bonuses are paid one year in arrear as the assessment of eligible employees had not taken place at the reporting date and no present obligation exist. The balance of the performance bonus provisions relate to amounts not yet paid to certain employees due to disputes over the assessment process. Also see note 54.			
12.1	The movement in current provisions are reconciled as follows: -	Performance Bonus	Provision for leave
as at 1 July 2011		-	6,923,488
Contributions to provision		-	70,960
Expenditure incurred		-	-
as at 30 June 2012		-	6,994,448
as at 1 July 2010		-	1,878,148
Contributions to provision		-	5,056,177
Expenditure incurred		-	(10,837)
as at 30 June 2011		-	6,923,488
12.2	The movement in current provisions are reconciled as follows:	Provision for staff bonus	Other provisions
as at 1 July 2011		2,191,550	-
Transfer from non-current		-	-
Contributions to provision		854,662	-
CORRECTION TO ACRUED		(3,046,212)	-
as at 30 June 2012		-	-
as at 1 July 2010		-	-
Transfer from non-current		-	-
Contributions to provision		2,919,550	-
Expenditure incurred		-	-
as at 30 June 2011		2,191,550	-

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AUDITED

NAAM NAME

14/2/2013

DATUM/DATE



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

	Note	2012 R	2011 R
12.3	The movement in current provisions are reconciled as follows: -		Provision for rehabilitation of landfill sites
as at 1 July 2011			3
Transfer from non-current			
Contributions to provision			6,302,475
Expenditure incurred			-
as at 30 June 2012			6,302,478
as at 1 July 2010			3
Transfer from non-current			-
Contributions to provision			-
Expenditure incurred			-
as at 30 June 2011			3
13	UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
13.1	Unspent Conditional Grants from other spheres of Government	4,097,558	
Opening balance MIG		2,966,335	2,966,335
Less Grants paid back to Treasury		(2,966,335)	-
Other		-	-
13.2	Other Unspent Conditional Grants and Receipts		
MSIG GRANTS intern salaries		131,223	131,223
FMG grants		1,000,000	1,000,000
less grants expended during the current year		(1,131,223)	-
outstanding		1,401,473	-
Annexure A: MIG TOTAL UNSPENT		1,011,376.56	-
Annexure B: FMG TOTAL UNSPENT		300,000.00	-
Annexure C: MSIG TOTAL UNSPENT		90,096.17	-
Total Unspent Conditional Grants and Receipts		1,401,473	4,097,558
See Note 31 for reconciliation of grants and receipts. These amounts are invested in ring-fenced investment until utilised.			
14	BORROWINGS		
Other borrowings		9,759,897	10,267,391
		9,759,897	10,267,391
Less : Current portion transferred to current liabilities		(507,495)	(507,485)
Other borrowings		(507,495)	(507,485)
Total borrowings		9,252,402	9,759,906
The borrowing will be offset against the investment as per note 6 which will yield an estimate 4.5 percent growth on the coupon rate during 2013. the estimate of the offset might be R 9 252 402 minus R 507 000 = R 8 745 402 at maturity. The investment may amount to R 8 677 891.00 with a shortfall then amounting to R 67 511.00 which can be funded from the fairbairn capital as per note 6.2.1			
15	PROPERTY RATES	R	R
Actual			
Residential		14,173,239	32,761,694
Commercial		486,667	-
Light Industries		9,180,606	-
Heavy Industries		8,867,696	-
State		2,124,196	-
Total property rates		34,832,404	32,761,694
Property rates - internal charges		15,903	-
Total		34,816,501	32,761,694
Note : internal charges levied for this year have now been written back against income and not allowed as a charge against the entity			
Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2008. Interim valuations are processed on a quarterly basis to take into account changes in individual property values due to alterations.			
Rates are levied on an annual basis with the final date of payment being 30 November 2012 (2011: 30 November).			
16	SERVICE CHARGES		
Note : internal charges levied for this year have now been written back against income and not allowed as a charge against the entity			
		Amount billed	less internal charges
Sale of electricity		78,741,621	5,133,667
Sale of water		25,023,271	668,704
Refuse removal		8,573,764	34,435
Sewerage and sanitation charges		8,115,898	19,433
Total Service Charges		120,454,554	5,856,241
			nett amount
			73,607,954
			25,354,567
			8,539,329
			8,096,465
			114,598,313
			67,973,432
			25,593,320
			8,766,424
			8,567,041
			110,900,217



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

	Note	2012 R	2011 R
17 RENTAL OF FACILITIES AND EQUIPMENT			
Rental of facilities		567,039	516,154
Rent Municipal properties :: CRECHE;		271	
Rent Municipal properties :: FLATS;		196,595	243,552
Rent Municipal properties :: HALLS;		39,905	28,049
Rent Municipal properties :: HALLS;		7,983	5,474
Rent Municipal properties :: HOSTALS;		179,684	44
Rent Municipal properties :: LAPA;		3,684	122,719
Rent Municipal properties :: MUNICIPAL BUILDINGS;		33,000	5,439
Rent Municipal properties :: MUNICIPAL HOUSES;		46,790	110,877
Rent Municipal properties :: TOWN LANDS;		59,128	
Total rentals		567,039	516,154
18 INTEREST EARNED - EXTERNAL INVESTMENTS			
Fairbairn Capital interest		-	39,252
Total interest		-	39,252
19 INTEREST EARNED - OUTSTANDING RECEIVABLES			
Debtors age analysis		6,237,501	441,787
Total interest		6,237,501	441,787
20 GOVERNMENT GRANTS AND SUBSIDIES			
Equitable share		64,328,913	59,552,631
MIG Grant		26,690,000	17,192,000
Other Government Grants and Subsidies		4,142,000	4,343,000
Total Government Grant and Subsidies		95,160,913	81,087,631
20.1 Equitable Share			
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy which is funded from the grant.			
20.2 MIG Grant			
Balance unspent at beginning of year		2,966,335	-
Unspent grants paid back to National Treasury		(2,966,335)	
Current year receipts		26,690,000	17,192,000
Conditions met - transferred to revenue		(27,395,544)	(14,225,665)
Conditions still to be met - remain liabilities		(705,544)	2,966,335
20.3 Other Government Grants and Subsidies			
Balance unspent at beginning of year		1,131,223	138,620
Current year receipts		68,470,913	63,895,631
Conditions met - transferred to revenue		(69,602,136)	(62,903,028)
Conditions still to be met - remain liabilities (see note 21)		-	1,131,223
20.4 Changes in levels of government grants			
Based on the allocations set out in the Division of Revenue Act, (2012) no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.			

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14/2/2013

DATUM



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

	Note	2012 R	2011 R
21 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS			
21.1 Other income			
Other income from exchange transactions		10,621,554	3,476,980
ACCOMODATION FEES		97,740	
STOCK ELECTRICITY NEW TAKE ON		568,155	
CONNECTION (NEW)		537,629	
SUNDRIES VATABLE WRITTEN BACK FROM PRIOR YEAR	*	4,389,315	
STOCK WATER ADJUSTED AGAINST ACCUMULATED SURPLUS	*	916,445	
CORRECTION OF VAT RECEIVABLE PER SARS STATEMENT	*	681,761	
STOCK HELD FOR AUCTION	*	132,000	
UNIT TRUST PRICE INCREASES FAIRBARN CAPITAL	*	86,970	
ADVERTISEMENT BOARDS		8,766	
APPL: REZONING		10,499	
APPLICATION: CONSENT USE		3,185	
BULK PURCHASES ESKOM		130,841	
APPLICATION: TRADING LICENSE		7,965	
APPROVAL GRAVESTONE PLANS		1,579	
BUILDING PLAN FEES		415,578	
BULK SERVICE CONTRIBUTION		204,711	
CATRIGES		21	
CERTIFICATE CLEARANCE		70,044	
CERTIFICATE VALUATION		3,560	
CONNECTION (RE-CONNECTIONS)		1,412,908	
INFORMATION SUPPLIED		21,855	
INFRASTRUCTURE		6,615	
LG SETA GRANT		363,138	
LOST BOOKS		290	
MEMBERSHIP FEES		23,250	
GRAVE FEES		40,103	
ENTRANCE FEES		4,246	
MAMPOER SALES		286	
ENTRANCE FEES		119,820	
HIKING TRAIL FEES		3,295	
SALE: LYDENBURG HEADS		83	
SALE: STANDS		1,908	
SUNDRY INCOME		189,294	
SURPLUS PAID IN BY CASHIER		3,035	
TENDER DOCUMENTS		147,482	
WASHING FACILITIES FEES		7,701	
PHOTOSTATS		9,458	
OFFICE EQUIPMENT		26	
21.2 Income other from non exchange transactions : FINES		901,276	1,599,164
FINES: TRAFFIC		827,790	
FINES: LIBRARY		5,485	
FINES: METER TAMPERING		68,000	
22 EMPLOYEE RELATED COSTS			
Employee related costs - Salaries and Wages		53,418,903	43,569,441
Employee related costs - Contributions for UIF, pensions and medical aids		14,969,311	12,802,005
Travel, motor car, accommodation, subsistence and other allowances		6,364,413	-
Housing benefits and allowances		354,399	328,564
Overtime payments		5,035,561	5,053,980
Performance and other bonuses		3,926,371	3,327,062
Other employee related costs		1,903,917	5,213,023
Employee Related Costs		85,972,876	70,294,075
There were no advances to employees / Loans to employees are set out in note 3.			
Remuneration of the Municipal Manager MR B KOMA			
Annual Remuneration		378,366	482,379
Performance- and other bonuses		-	-
Travel, motor car, accommodation, subsistence and other allowances		129,041	205,855
Contributions to UIF, Medical and Pension Funds		873	749
Total		508,281	688,983

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14/2/2013
DATUM/DATE



**THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012**

Note

Remuneration of the Chief Finance Officer Mr S Mabitsela and F van Eck
A acting Chief Financial Officer was appointed on
Annual Remuneration
Performance- and other bonuses
Travel, motor car, accommodation, subsistence and other allowances
Contributions to UIF, Medical and Pension Funds
Total

2012 R	2011 R
MR V ECK JULY 11 TO NOV 11	MR MABITSELA Dec 11 to June 12
130,249	182,342
-	-
88,691	155,558
8,354	6,441
227,293	344,341

Remuneration of Individual Executive Directors

Technical Services MR PHEEHA R	Community Services ME DUBE R
--------------------------------------	------------------------------------

2012

Annual Remuneration
Performance- and other bonuses
Travel, motor car, accommodation, subsistence and other allowances
Contributions to UIF, Medical and Pension Funds
Total

478,498	407,931
-	-
146,467	131,811
37,385	31,961
662,350	571,703

2011

Annual Remuneration
Performance- and other bonuses
Travel, motor car, accommodation, subsistence and other allowances
Contributions to UIF, Medical and Pension Funds
Total

Technical Services R	Corporate Services R	Community Services R
vacant	vacant	403,281
vacant	vacant	-
vacant	vacant	141,111
vacant	vacant	18,901
Vacant	Vacant	563,303

23 REMUNERATION OF COUNCILLORS

Executive Mayor HONOURABLE MM MAROBELA
Speaker HONOURABLE V S MAGAGULA
Executive Committee Members
Councillors
Councillors' pension and medical aid contributions
Councillors' allowances
Total Councillors' Remuneration

363,102	sect 13
294,899	sect 13
1,091,762	sect 13
2,940,078	3,063,911
635,765	206,151
1,936,082	1,269,691
7,261,688	4,539,761

In-kind Benefits

The Executive Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.
The Executive Mayor is entitled to stay at the mayoral residence owned by the Council at no cost. The Executive Mayor has use of the Council owned vehicle for official duties.
The Executive Mayor has full-time bodyguards.

24 FINANCE COSTS

Borrowings
Bank overdrafts
Total Finance Costs

1,561,888	1,431,151
1,720	1,721
1,563,607	1,432,871

25 BULK PURCHASES

Electricity
Total Bulk Purchases

96,206,488	79,264,751
96,206,488	79,264,751

26 CONTRACTED SERVICES

Contracted services for: Information technology
Contracted services for security
Contracted services for: Specialized services
Contracted services for: Other services

13,685,256	9,061,111
9,957,591	4,824,471
-	334,031
7,122,781	168,171
30,765,628	14,387,803

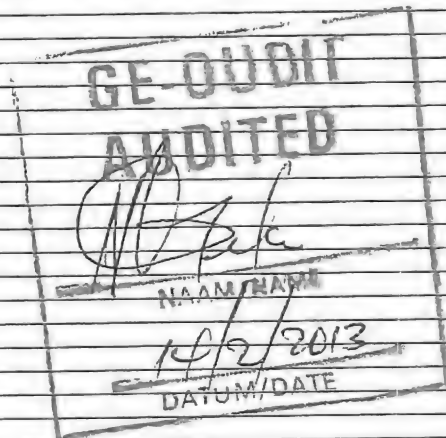
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14/2/2013
DATUM / DATE



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

	Note	2012 R	2011 R
27 GRANTS AND SUBSIDIES PAID			
MIG GRANTS PAID		27,395,544	
MIG GRANT EXPENDITURE	9701/9707/1701	1,478,347.96	
MIG GRANT EXPENDITURE	9701/9707/1702	6,458,385.79	
MIG GRANT EXPENDITURE	9701/9707/1704	2,411,662.88	
MIG GRANT EXPENDITURE	9701/9707/1705	115,664.36	
MIG GRANT EXPENDITURE	9701/9707/1707	5,948,135.86	
MIG GRANT EXPENDITURE	9701/9707/1709	508,051.60	
MIG GRANT EXPENDITURE	9701/9707/1710	643,901.25	
MIG GRANT EXPENDITURE	9701/9707/1714	1,010,935.84	
MIG GRANT EXPENDITURE	9701/9707/1715	1,303,727.22	
MIG GRANT EXPENDITURE	9701/9707/1717	5,701,833.06	
MIG GRANT EXPENDITURE	9701/9707/1718	952,195.91	
MIG GRANT EXPENDITURE	9701/9707/1719	708,815.46	
MIG GRANT EXPENDITURE	9701/9707/1720	153,886.34	
MIG CAPITALISED PER ANNEXURE B		(7,870,784)	
Grant/subsidy to indigent policy support		13,063,339	16,798,112
		32,588,098	16,798,112
28 GENERAL EXPENSES			
Included in general expenses are the following:-			
Advertising		840	120
Audit fees		1,602,429	2,122,846
Bank charges		797,508	479,869
Cleaning		880,899	183,914
Conferences and delegations		591,811	51,650
Consulting fees		1,483,591	9,787,967
Departmental consumption		81,417	-
Stocks and material		279,840	-
Entertainment		-	135,492
Fuel and oil		2,058,629	1,583,947
Insurance		3,763,215	3,955,553
Interest paid overdue accounts		1,812,120	1,051,558
* DECREASE IN INVESTMENT		100,137	-
* DECREASE IN ABSA CAPITAL INVESTMENTS		613,485	-
* PROVISION CREDITOR MIG UNSPENT		1,401,471	-
* MOVEMENT OTHER CORRECTIONS		32,964	-
Legal expenses		1,252,517	1,203,251
Levies paid		-	47,037
Licence fees - vehicles		1,964,414	-
Licence fees - computers		1,765	-
ISDN Line rent		7,718,450	-
Postage		-	163,013
Printing and stationery		1,418,874	952,271
Professional fees		-	371,533
Rental of buildings		158,255	168,668
Other rentals		2,523,624	46,497
Sewerage treatment costs		224,021	-
Skills development levies		355,535	655,079
Stocks and material		82,263	30,486
Subscription & publication		126,722	182,348
Telephone cost		1,438,149	1,201,066
Training		1,008,423	210,728
Travel and subsistence		1,302,941	907,833
Uniforms & overalls		-	2,557
Valuation costs		214,943	126,340
Debit orders		4,119	-
Digging of graves		30,419	-
Disaster relief fund		33,617	-
Integration of Thaba Chweu		275,000	-
Integration of Thaba Chweu		13,401	-
Integration of Thaba Chweu		3,468	-
Photostats		6,577	-
Postage and telegrams		186,841	-
Postage and telegrams		7,217	-
Promotion costs		23,000	-
Public participation and ward Committees		29,000	-
Water - agriculture		109	-
Water - education		276,907	-
Water - institution		9,120	-
		36,190,048	25,621,624





THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

	Note	2012 R	2011 R
29	CASH AND CASH EQUIVALENTS		
	Cash and cash equivalents included in the cash flow statement comprise the following:		
	Bank balances and cash	960,377	6,855,924
	Bank overdrafts	(2,872,039)	-
	Net cash and cash equivalents (net of bank overdrafts)	(1,911,662)	6,855,924

30	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
	DESCRIPTION	REPORTED DEVIATIONS	TOTAL
	IRREGULAR EXPENDITURE	5,916,890.53	
	IRREGULAR EXPENDITURE	17,476,082.18	
	FRUITLESS AND WASTEFULL EXPENDITURE	3,671,415.32	
	TOTAL DISCLOSURE	27,064,388.03	

30.1	IRREGULAR EXPENDITURE THAT HAS BEEN REPORTED AS DEVIATIONS TO COUNCIL			
	Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.			
	COMPANY	DOC NUMBER	AMOUNT	DATE
	600sa HOLDING PTY LTD	88	54,064.80	10/4/2011
	ASR TRAVEL AGENCY	36	4,860.00	8/17/2011
	BBM BOU EN SINEL	23324	2,736.00	12/23/2011
	CONWAY GENERAL TRADING	236	23,173.12	1/19/2012
	DAWSON & DOBSON	786	26,767.20	7/29/2011
	DAWSON & DOBSON	785	60,705.00	7/29/2011
	DAWSON & DOBSON	755	31,385.90	8/4/2011
	DAWSON & DOBSON	789	58,279.08	8/16/2011
	DAWSON & DOBSON	913	13,081.50	10/18/2011
	DAWSON & DOBSON	910	32,461.50	10/18/2011
	DAWSON & DOBSON	911	4,617.00	10/18/2011
	DAWSON & DOBSON	912	16,644.00	10/18/2011
	DAWSON & DOBSON		2,451.00	12/14/2011
	DAWSON & DOBSON	141	13,976.40	12/14/2011
	DAWSON & DOBSON	143	123,873.54	12/14/2011
	DAWSON & DOBSON	254	11,540.22	1/20/2012
	DAWSON & DOBSON	1109	8,178.36	6/18/2012
	DAWSON & DOBSON	1108	25,612.38	6/18/2012
	DAWSON & DOBSON	1106	39,358.50	6/18/2012
	DAWSON & DOBSON	1107	72,760.50	6/18/2012
	DAWSON & DOBSON (PTY)LTD	189	5,734.20	11/18/2011
	DAWSON & DOBSON (PTY)LTD	187	11,540.22	11/18/2011
	DAWSON & DOBSON (PTY)LTD	218	3,836.10	11/30/2011
	DAWSON & DOBSON (PTY)LTD	215	40,276.86	11/30/2011
	DAWSON & DOBSON (PTY)LTD	212	87,084.60	11/30/2011
	DAWSON & DOBSON (PTY)LTD	217	111,594.60	11/30/2011
	DAWSON & DOBSON (PTY)LTD	213	57,310.54	11/30/2011
	E T NGELO CONSTRUCTION	200	20,045.76	12/21/2011
	ELECTRO SYSTEMS	171	31,602.29	11/18/2011
	EVEREST LEADERSHIP TRAINING	4323	38,757.72	6/25/2012
	F&FT SERVICES	85	2,012.10	9/1/2011
	FORMS MEDIA INDEPENDENT	69	4,446.00	3/2/2012
	FRANCIS MOTORS	768	2,508.00	11/8/2011
	GARRY'S TUNE UP CENTRE	23	2,861.40	9/6/2011
	GARRY'S TUNE UP CENTRE	11	4,386.15	9/29/2011
	INTELIGEX CONSULTING	5016	15,998.00	3/29/2012
	ISICEBI TRADING 1155	314	62,865.00	2/2/2012
	JESIFA BUSINESS ENT		329,376.21	12/22/2011
	JESIFA BUSINESS ENTERPRISE	256	167,475.29	5/1/2012
	JESIFA BUSINESS ENTERPRISE	255	193,876.79	5/1/2012
	JESIFA BUSINESS ENTERPRISE	254	199,789.00	5/1/2012
	JOCK SABIE LODGE	69	7,500.00	11/29/2011
	LED ELECTRICAL & PUMPS	101&102	6,546.24	12/6/2011
	LEXIS NEXIS BUTTERWORTH	793	15,344.00	11/7/2011
	LEXIS NEXIS BUTTERWORTH	717	41,843.43	11/7/2011
	LOWVELD BUILDING SUPPLIES	284	3,665.10	1/26/2012
	LOWVELD MEDIA-STEELBURGER	1011	2,007.31	2/22/2012
	LOWVELD MEDIA-STEELBURGER	1012	6,021.94	2/22/2012
	LOWVELD MEDIA-THE LOWVELDER	1013	2,058.30	2/22/2012



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

	Note	2012 R	2011 R
LYD STEEL AND CONSTRUCTION	164	3,135.00	9/23/2011
LYD TOYOTA	181	6,140.18	12/21/2011
LYDENBURG BRAKE & CLUTCH	978	3,123.60	12/6/2011
LYDENBURG TOYOTA	273	7,128.09	12/1/2011
LYDENBURG TOYOTA	104	6,194.32	12/6/2011
MACFEZ NTULI & CONSTRUCTION	315	45,720.00	2/2/2012
MAGWAZANE TRANSPORT & TRADING	192	2,400.00	12/21/2011
MAHLO KE DIALA BUSINESS SERV	266	29,700.65	10/1/2011
MAHLO KE DIALA BUSINESS SERV	264	51,113.27	10/1/2011
MAHLO KE DIALA SERVICES	917	79,994.22	10/18/2011
MAHLO KE DIALA SERVICES	916	114,332.31	10/18/2011
MANDLAKAZI ELECTRICAL TECH	1103	6,070.50	6/18/2012
MANDLAKAZI ELECTRICAL TECH	1105	7,307.40	6/18/2012
MANDLAKAZI ELECTRICAL TECH	1104	26,231.40	6/18/2012
MANDLAKAZI ELETRCICAL	709	3,884.19	7/27/2011
MANDLAKAZI ELETRCICAL	720	6,267.49	7/27/2011
MANDLAKAZI ELETRCICAL	719	7,497.67	7/27/2011
MANDLAKAZI ELETRCICAL	706	8,625.81	7/27/2011
MANDLAKAZI ELETRCICAL	714	10,203.91	7/27/2011
MANDLAKAZI ELETRCICAL	712	11,387.46	7/27/2011
MANDLAKAZI ELETRCICAL	717	16,821.84	7/27/2011
MANDLAKAZI ELETRCICAL	707	16,912.76	7/27/2011
MANDLAKAZI ELETRCICAL	723	31,917.23	7/27/2011
MANDLAKAZI ELETRCICAL	710	40,584.00	7/27/2011
MANDLAKAZI ELETRCICAL	713	51,191.21	7/27/2011
MANDLAKAZI ELETRCICAL	23409	26,448.00	11/7/2011
MANDLAKAZI ELETRCICAL	771	71,639.25	11/7/2011
MASH FM 93.4 STEREO	133	24,000.00	12/3/2011
MAZOLA TRAVEL & TOURS	252	34,410.00	5/1/2012
MINDMUZIK MEDIA	138	11,102.74	12/14/2011
MR KHUMALO MOSES	173	3,600.00	12/20/2011
NOKWAZI CONSULTING SERVICES	4005	22,634.70	3/30/2012
NOKWAZI ELECTRICAL		26,356.17	7/7/2011
NOKWAZI ELECTRICAL	23329	176,499.34	12/30/2011
NOKWAZI ELECTRICAL CC	316	76,009.50	2/2/2012
NOMCEBO CONSULTING	106	6,194.48	9/6/2011
PITNEY BOWES	101	6,817.20	10/14/2011
PITNEY BOWES	13	5,931.28	11/1/2011
PITNEY BOWES	286	54,720.00	1/12/2012
PRODIBA PTY	164	4,746.96	12/15/2011
PROTEA HOTEL	102	5,479.80	9/6/2011
RE A DHRHA CONSULTANT	23320	54,606.92	7/12/2011
RUSPLAAS GARAGE	133	2,900.00	8/12/2011
SAZABANTU TRADING	187	7,524.00	12/21/2011
SEBATA MUNICIPAL SOLUTIONS	15324068	137,670.15	3/28/2012
SEBATA MUNICIPAL SOLUTIONS	15323495	337,376.83	3/1/2012
SEBATA MUNICIPAL SOLUTIONS	15323482	219,025.92	3/20/2012
SEBATA MUNICIPAL SOLUTIONS	15325345	114,523.78	6/8/2012
SEBATA MUNICIPAL SOLUTIONS	15319949	263,495.80	9/28/2011
SEBATA MUNICIPAL SOLUTIONS	15319664	246,354.00	9/8/2011
SEBATA MUNICIPAL SOLUTIONS	15322531	279,991.43	9/8/2011
SEBATA MUNICIPAL SOLUTIONS	15320795	58,475.60	11/1/2011
SEBATA MUNICIPAL SOLUTIONS	369	61,104.00	3/12/2012
SEBATA MUNICIPAL SOLUTIONS	5050	5,050.00	7/5/2011
SEBATA MUNICIPAL SOLUTIONS	727	17,939.04	11/7/2011
SEBATA MUNICIPAL SOLUTIONS	210	16,552.80	6/1/2012
SOWETAN	65	6,032.88	11/30/2011
SOWETAN	1015	7,715.52	2/22/2012
SUD-CHEMIE	23408	70,627.56	8/7/2011
SUD-CHEMIE	175	88,829.94	9/23/2011
SYNTELL NETWORKS	285	4,135.35	1/18/2012
THE LOWVELDER	64	2,869.52	11/29/2011
TIM TRADING	152	3,390.00	12/14/2011
TIM TRADING	144	20,290.59	12/14/2011
TRANSACTION CONTROL TECHNOLOGIES	168	100,679.36	12/19/2011
TRANSACTION CONTROL TECHNOLOGIES	169	171,728.73	12/19/2011
TRAVEL EXPERIENCE	823	11,880.00	8/24/2011
TRAVEL EXPERIENCE	825	51,165.20	8/24/2011
TRAVEL EXPERIENCE	23305	7,756.00	9/2/2011
TRUVELO MANUFACTURERS	4105	33,102.65	5/2/2012
TSWELOPMENT FUNERAL SERVICES	286	30,000.00	1/26/2012
UNICS TECHNOLOGIES	79	99,750.00	12/5/2011
UNION MOTORS LOWVELD	22	15,202.73	9/2/2011
UNION MOTORS LOWVELD	842	8,181.19	9/6/2011
VOLTEX	162	10,212.23	11/16/2011
VUKUZITHATHE TRADING	23426	16,046.00	7/14/2011
WESTVAAL MASHISHING	23419	22,290.00	12/7/2011
ZAMAGWANE WATER TECHNOLOGIES	23331	57,051.73	12/30/2011
		5,916,890.53	TOTAL

GE-OUDE
AUDITEE

NAAM/NAME

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THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

Note

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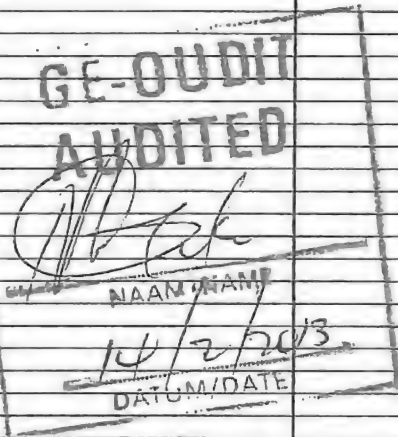
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30.2

IRREGULAR EXPENDITURE THAT HAS NOT BEEN REPORTED AS DEVIATIONS TO COUNCIL

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

COMPANY	DOC NUMBER	AMOUNT	DATE
AES Consulting	15323754	102,291.07	3/29/2012
AfriSat	15321062	1,500,000.00	12/7/2011
Afrox	15319411	11,335.02	7/1/2011
Afrox	15321064	897.18	12/7/2011
Afrox	15323059	1,794.00	2/10/2012
Afrox	15323435	2,589.30	3/6/2012
Aluta Investments	15319520	20,000.00	7/18/2011
Aluta Investments	15319412	51,600.00	7/1/2011
Black Child is Possible	15326059	27,000.00	6/29/2012
Black Child is Possible	15324640	33,600.00	5/9/2012
BONGANI MATHELIA WOOD WORK	326	8,900.00	6/2/2012
Bothila Trading	15319416	256,439.00	7/1/2011
Bothila Trading	15319659	97,399.89	9/8/2011
Bothila Trading	15320782	97,399.89	9/28/2011
Bothila Trading	15321272	97,399.89	12/5/2011
Bothila Trading	15320794	97,399.89	11/1/2011
BudgetInn	15319522	76,100.00	7/18/2011
BudgetInn	15321801	36,300.00	12/15/2011
BudgetInn	15321872	18,150.00	1/13/2012
BudgetInn	15323448	18,150.00	3/6/2012
BudgetInn	15324620	18,150.00	5/7/2012
BudgetInn	15325933	36,300.00	5/14/2012
BudgetInn	15324643	36,300.00	5/14/2012
Business Engineering	15319417	59,280.00	7/1/2011
Catquip Sales	15000008	56,430.00	3/30/2012
CF Drukkers	15322744	13,315.20	2/16/2012
Chinese Housing	15319685	50,000.00	7/29/2011
Chinese Housing	15324524	43,161.36	8/29/2011
Coetsee JPC	15319680	58,740.00	7/29/2011
Contact Communication	15319418	9,655.80	7/1/2011
Contact Communication	15319661	14,827.90	9/8/2011
Contact Communication	15321066	23,261.70	12/7/2011
Contact Communication	15321820	5,266.80	12/15/2011
Contact Communication	15323442	5,266.80	3/6/2012
Contact Communication	15324606	5,266.80	5/7/2012
Contact Communication	15322576	5,266.80	2/10/2012
Conway General Lydenburg	15324109	20,478.03	7/18/2011
Crystal Sparkle Trading	15319524	72,940.04	7/18/2011
Crystal Sparkle Trading	15324070	89,675.09	4/4/2012
Dana Agency	15324645	2,180.00	5/14/2012
Elthu Suppliers and Construction	15325289	43,000.00	6/1/2012
Elthu Suppliers and Construction	15324621	43,000.00	5/7/2012
Elthu Suppliers and Construction	15324069	43,000.00	4/4/2012
Engen Sabie	15319433	5,300.78	8/2/2011
Engen Sabie	15319844	14,029.77	10/7/2011
Engen Sabie	15321383	21,543.67	12/7/2011
Engen Sabie	15321885	21,019.10	1/13/2012
Engen Sabie	15322746	21,391.27	2/16/2012
Engen Sabie	15323738	14,297.71	3/28/2012
Engen Sabie	15324098	18,283.84	4/5/2012
Engen Sabie	15324634	29,360.82	5/9/2012
Engen Sabie	15325356	27,521.70	6/8/2012
Firoziprat	15325361	150,000.00	6/11/2012
FOREVER RESORT-BLYDE	826	5,250.00	8/25/2011
Garrys Tuneup Centre	15321255	147,915.00	12/7/2011
Grant Thornton	15319424	38,076.24	7/1/2011
Graskop Service Station	15324110	9,924.51	7/18/2011
Graskop Service Station	15320807	4,709.35	8/2/2011
Graskop Service Station	15319936	12,483.95	8/24/2011
Graskop Service Station	15319669	7,751.06	9/8/2011
Graskop Service Station	15320786	6,531.15	9/28/2011
Graskop Service Station	15319843	1,706.74	10/7/2011
Graskop Service Station	15319944	4,915.75	10/12/2011
Graskop Service Station	15319954	3,354.25	10/13/2011
Graskop Service Station	15320812	11,592.91	11/3/2011
Graskop Service Station	15320824	2,190.40	11/18/2011
Graskop Service Station	15321278	9,649.85	12/5/2011
Graskop Service Station	15321842	9,729.23	12/20/2011
Graskop Service Station	15321884	13,490.49	1/13/2012
Graskop Service Station	15322559	5,991.39	1/31/2012
Graskop Service Station	15322562	9,784.49	2/8/2012
Graskop Service Station	15323413	10,446.38	3/1/2012





**THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012**

	Note	2012 R	2011 R
Graskop Service Station	15323739	11,643.50	3/28/2012
Graskop Service Station	15324516	995.08	4/24/2012
Graskop Service Station	15325328	9,783.42	6/1/2012
Highlands Panorama News	15321078	2,400.00	12/7/2011
Hydro Pneumatic	15321880	24,168.00	1/13/2012
Ivy Mokofana	15325300	4,000.00	6/1/2012
Jessifa Business Enterprise	15324127	364,925.59	4/12/2012
Khulen Multi Skills	15324143	3,045.85	4/13/2012
Khulen Multi Skills	15324143	3,050.88	4/13/2012
KTP Management Cons	15325937	150,000.00	5/31/2012
KTP Management Cons	15325332	150,000.00	6/1/2012
KTP Management Cons	15000047	100,000.00	6/13/2012
Kwati Consulting Projects		189,815.50	7/1/2011
Laevelder	15319478	18,021.66	7/1/2011
Laevelder	15319666	3,107.18	9/8/2011
Lehlabu Trading	15324121	6,441.00	4/12/2012
Lexus Nexus	15324835	41,485.16	9/8/2011
LOWVELD MEDIA	1034	3,010.97	2/12/2012
Lowveld Media	15323455	14,731.79	3/6/2012
Lowveld Media	15324632	37,938.20	5/14/2012
Lumgoshi Water Solutions	15323776	168,720.00	3/29/2012
Lybasol Motors	15319437	4,892.47	7/1/2011
LYBASOL MOTORS	244	2,211.99	1/19/2012
Lydenburg Bande Diens	15321294	110,591.18	12/8/2011
Lydenburg Toyota	15321344	8,210.00	12/5/2011
Lydenburg Toyota	15322037	9,548.00	1/13/2012
Mabatane Civil Construction	15325931	327,125.00	5/7/2012
Macfez Ntuli Construction	15323489	77,519.40	3/6/2012
Macfez Ntuli Construction	15324137	23,603.91	4/12/2012
Magnavolt Trading	15319551	53,029.38	7/18/2011
MAHLO KE DIALO	57	4,719.60	8/29/2011
Mahloke diala Services CC	15323480	68,142.04	3/20/2012
Mandlakasi Electrical	15319443	44,266.20	7/1/2011
Maseko Management Services	15324073	36,388.80	4/4/2012
Maseko Management Services	15325358	199,433.88	6/11/2012
Masikana Civil Contractors	15319753	485,593.75	9/19/2011
Masikana Civil Contractors	15321266	319,230.87	12/5/2011
Mathata Security Services	15325293	281,889.52	6/1/2012
Mathata Security Services (contract started July 2012)	15323501	174,595.12	3/9/2012
Mathata Security Services	15323956	174,595.12	4/2/2012
Matsana Attorneys Inc	15324625	20,301.12	5/11/2012
Maximum Profit Recovery	15319675	1,411,497.14	7/21/2011
Maximum Profit Recovery	15319943	378,657.68	10/12/2011
Maximum Profit Recovery	15323774	345,782.38	3/29/2012
Mbombela Lab and Medical	15323493	85,076.00	3/5/2012
Mbombela Lab and Medical	15323944	48,053.50	3/29/2012
Mbombela Lab and Medical	15325153	90,891.00	5/7/2012
Moreko Investment Holdings	15322549	478,808.75	1/30/2012
Moreko Investment Holdings	15323933	200,000.00	3/5/2012
Moreko Investment Holdings	15324071	200,000.00	4/4/2012
Mosaeaa Mosia development	15322511	76,368.07	12/5/2011
Mundata Consulting Services	15319736	112,490.64	9/8/2011
Mundata Consulting Services	15320773	182,317.92	9/28/2011
Nkunkela Electrical CC	15319724	184,253.07	7/29/2011
Nkunkela Electrical CC	15323760	268,048.21	3/29/2012
Nomabisa Trading Ent.	15319850	704,152.46	9/28/2011
Notsi Group	15322561	153,472.50	2/8/2012
Pennwell Risk Management	15319557	145,438.08	7/18/2011
PITNEY BOWES	12	18,240.00	11/1/2011
Pitney Bowes	15321349	20,269.20	12/7/2011
PLP Consulting Engineers	15319720	626,208.78	7/18/2011
Protea Kruger Gate	15319695	5,527.00	9/8/2011
Ratsoga Trading	15323959	91,600.00	4/2/2012
Ratsoga Trading	15323962	27,600.00	3/1/2012
Ratsoga Trading	15322545	26,500.00	1/30/2012
Rent to Kill	15319535	9,325.83	8/18/2011
Rent to Kill	15321352	9,776.13	12/7/2011
Rent to Kill	15323060	9,966.30	2/10/2012
Rent to Kill	15314664	9,972.30	5/14/2012
Robert Mayana	15319682	7,506.24	7/29/2011
Robert Mayana	15321275	6,791.36	12/5/2011
Robert Mayana	15321854	7,863.68	12/23/2011
Sabinet Online	15319559	37,729.44	7/18/2011
Sabinet Online	15320778	11,400.00	9/28/2011
Sekukane Express	15329457	10,500.00	7/1/2011
Smartlink Consultancy	15325935	23,997.00	6/14/2012
SOWETAN	77	20,109.60	8/31/2011
Soweton	15319459	22,120.56	7/1/2011
Spaar -o- Rama	15319561	42,162.28	7/18/2011
Spaar -o- Rama	15320777	49,793.00	9/28/2011

**GE-ODIT
AUDITED**

NAAM/NAME

14/2/2012
DATUM/DATE



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

	Note	2012 R	2011 R
Spartan Technology Rental	15319460	11,497.63	7/1/2011
Spartan Technology Rental	15319953	171,065.85	10/12/2011
Spartan Technology Rental	11005205	108,300.00	12/20/2011
Spearhead Ventures CC	15323759	1,151,729.69	3/29/2012
Sud-Chemi SA PTY LTD	15319461	198,476.50	7/1/2011
Sud-Chemi SA PTY LTD	15319671	83,194.29	9/8/2011
Sud-Chemi SA PTY LTD	15320775	8,346.62	9/28/2011
Sud-Chemi SA PTY LTD	15321384	37,074.17	12/7/2011
Sud-Chemi SA PTY LTD	15321904	3,267.81	1/13/2012
Sud-Chemi SA PTY LTD	15322602	23,371.60	2/10/2012
Sud-Chemi SA PTY LTD	15323445	13,642.55	3/6/2012
SWAROVSKI INVESTMENTS BK	234	45,600.00	1/18/2012
Syntell Networks (agreements not signed)	15319688	110,914.30	7/29/2011
Syntell Networks	15319662	22,182.86	9/8/2011
Syntell Networks	15320771	22,192.86	9/28/2011
Syntell Networks	15322509	67,879.55	1/19/2012
Syntell Networks	15326668	23,513.83	4/12/2012
Syntell Networks	15324111	86,516.05	3/28/2012
Thaba Chweu Local Economic Development Agency	15325162	275,000.00	5/30/2012
THE LOWVELDER	50	7,387.47	8/26/2011
Tim Trading CC	15320760	6,324.67	9/28/2011
Tim Trading CC	15321908	20,719.91	1/13/2012
Timber Fourie Consultant Engineers	15319725	188,598.24	7/29/2011
Timber Fourie Consultant Engineers	15319851	160,825.50	9/28/2011
Total Client Service LTD	15319563	230,222.33	7/18/2011
Total Client Service LTD	15321314	64,835.22	12/6/2011
Total Client Service LTD	15323457	36,534.15	3/6/2012
Travel Experience	15319568	3,455.10	7/18/2011
Travel Experience	15319568	12,426.00	7/18/2011
Travel Experience	15319568	174,596.00	7/18/2011
Truvelo PTY LTD	15319483	6,190.77	7/1/2011
Ulusaba news	15319945	2,100.00	9/28/2011
Valuers Africa	15324386	2,157.11	4/24/2012
VD Transcriber CC	15000034	83,721.30	3/30/2012
VD Transcriber CC	15325346	98,500.83	6/8/2012
Voltex	15319434	39,864.76	8/2/2011
Voltex	15321828	10,487.88	12/15/2011
Voltex	15322610	6,384.00	2/10/2012
Voltex	15324672	15,798.10	5/14/2012
		17,476,082.18	TOTAL

30.3 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

COMPANY	DOC NUMBER	AMOUNT	DATE
Du Toit Smith and Matthews Phosa	15319846	3,966.19	10/7/2011
Gildenhus Lessing Malati	15319423	25,905.47	7/1/2011
Marniwick JC	15319717	31,739.78	7/18/2011
Marniwick JC	15321081	10,830.00	12/7/2011
Marniwick JC	15321863	57,000.00	12/8/2011
Marniwick JC	15325329	18,810.00	6/1/2012
Mc Beth Ncongwane Attorneys	15319550	15,964.37	7/18/2011
Mc Beth Ncongwane Attorneys	15321093	97,247.70	12/7/2011
Mc Beth Ncongwane Attorneys	15324626	167,434.18	5/11/2012
MM Modipa Attorneys	15321892	3,500.00	1/13/2012
MM Modipa Attorneys	15322594	1,000.00	2/10/2012
PG Bam Attorneys	15319451	3,021.00	7/1/2011
Pieter Nel Attorneys	15324136	56,527.51	3/1/2012
Richards Spoor Attorneys	15321351	5,232.60	12/7/2011
Seymore du Toit en Basson Attorneys	15319845	2,964.00	10/7/2011
Seymore du Toit en Basson Attorneys	15319952	1,966.50	10/12/2011
Seymore du Toit en Basson Attorneys	15325294	2,790.00	6/1/2012
Snyman Vernote	15319679	2,286.02	7/29/2011
Swanepoel Partners Attorneys	15319745	441,771.93	9/12/2011
van der Nest & Buis associates	15319485	150,400.80	7/1/2011
INTEREST ON OVERDUE ACCOUNTS		1,812,120.00	
ESKOM Interest	2011/2012	732,030.55	2011/2012
TELKOM Interest	2011/2012	26,906.72	2011/2012
		3,671,415.32	TOTAL



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

	Note	2012 R	2011 R
31	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
32.1	Audit fees		
	Opening balance	970,080	829,404
	Current year audit fee	1,602,429	2,263,522
	Amount paid - current year		(2,122,846)
	Amount paid - previous years		
	Balance unpaid (included in payables)	2,572,509	970,080
	The balance unpaid represents the audit fee for an interim audit conducted from Feb 2012 to June 2012 conducted on the 2010/11 AFS		
32.2	VAT		
	VAT input receivables and VAT output payables are shown in note 18. All VAT returns have been submitted by the due date throughout the year.		
32.3	Councillor's arrear consumer accounts		
	The following Councillors had arrear accounts outstanding for more than 90 days as at: -		
		Total	Outstanding less than 90 days
			Outstanding more than 90 days
		R	R
	as at 30 June 2012		
	CLR MS MATHAILA	3,849	0
	CLR NR MOKGOSIMY	6,895	0
	CLR JH LIGHTHELM	1,917	0
	CLR PK MOKOENA	1,013	0
	CLR EN MASHEGO	2,308	0
	CLR PP CHIMA	2,097	0
	Total Councillor Arrear Consumer Accounts	18,080	0
	as at 30 June 2011		
	Councillor V E BATES	17,826	55
	Councillor J B NKOSI	16,412	832
	Councillor F J C ROUSSEAU	2,621	1,673
	Councillor P P CHIMA	227	10
	Total Councillor Arrear Consumer Accounts	37,086	2,570
33	Claim for damages		
	<input checked="" type="checkbox"/> L24 - AFS		
	GRAP 19: CONTINGENT LIABILITIES		
	A possible obligation exist depending on whether some uncertain future event occurs		
	PLAINTIFF	RESPONDENT	AMOUNT
	Komatiland Forest	THABA CHWEU LOCAL MUNICIPALITY	27,000,000.00
	SALA Pension Fund	THABA CHWEU LOCAL MUNICIPALITY	491,280.47
	H& J Kelly	THABA CHWEU LOCAL MUNICIPALITY	750,000.00
	Kwezi V3 Engineers	THABA CHWEU LOCAL MUNICIPALITY	600,000.00
	CJ Van Wyk	THABA CHWEU LOCAL MUNICIPALITY	867,851.90
	LCB Ralebipi	THABA CHWEU LOCAL MUNICIPALITY	493,525.51
	GS Mare	THABA CHWEU LOCAL MUNICIPALITY	27,862.74
	Fire Raiders (PTY) Ltd	THABA CHWEU LOCAL MUNICIPALITY	100,000.00
	H Connaway	THABA CHWEU LOCAL MUNICIPALITY	1,508.00
	Afrisat	THABA CHWEU LOCAL MUNICIPALITY	2,350,000.00
	Fairy Wing Trading TA Sabie 1 Stop	THABA CHWEU LOCAL MUNICIPALITY	100,000.00
	G Ramushu	THABA CHWEU LOCAL MUNICIPALITY	27,000,000.00
	Telkom	THABA CHWEU LOCAL MUNICIPALITY	29,373.58
	TOTAL	59,811,402.20	
34	COMPARISON WITH THE BUDGET		
	The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexure D		
35	INVESTMENT PROPERTY CARRIED AT FAIR VALUE		
35.1	Reconciliation of fair value		
	as at 1 July 2011		
	Acquisitions	0.00	0.00
	Fair value adjustment	0.00	0.00
	Fair value of disposals	0.00	0.00
	Impairment loss/Reversal of impairment loss	0.00	0.00
	Transfers	0.00	0.00
	Other movements	149,388,200.00	0.00
	as at 30 June 2012	149,388,200.00	0.00

**GE-ODIT
ADDED**

NAAM/NAME
14/2/2013
DATUM/DATE



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

Note	2012 R	2011 R
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- 35.2 Details of valuation
Investment property's are recognised for the first time in the 2011/2012 financial statements. The Municipal properties were valued based on the valuation roll of the Municipality as at 30 June 2011.
All Municipal land held for a undetermined future use has been included as investment properties.
The Municipality is in the proses to complete the various lease agreements.
- 35.3 Amounts recognised in surplus or deficit for the year. 149,388,200.00

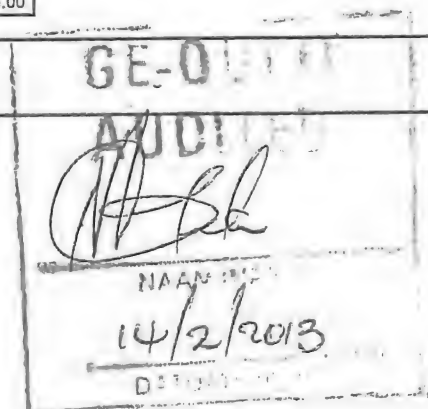
- 36 Disclosure in terms of IRFS 7 : Financial Instruments:
Financial assets and instruments :
(a) cash is a major portion of our transaction identity. The measures in place in safekeeping and internal controls are adequate and controlled by our own internal controls, Internal Audit and accounting system controls. Where risk existed in the past with pre paid collection, this has now been averted by transferring all risk on one vendor Syntell. Our payments are now prompt and on time.
(b) A contractual right to receive cash or another financial asset from another entity, exist in our debtors system. The estimated payment rate is 87 % currently. A risk exists for non - payment and this factor is taken into consideration with our provision for bad debts. however internal control changes and middle management improvement already indicates a dedicated constant cash inflow. However the risk of illegal connections and other loss of product sales is a matter of ongoing concern and upgrading
(c) A contractual right to receive cash exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity are now revealed in our statement of position as Investment property to the value of R 149 388 200 . This properties will in the future be analyzed and further investigated for generating income by either sales, development or more productive use. on these investment proerties we also receive rent income which is a constant cash inflow.
Other risk affecting our Financial Instruments
ESKOM PRICE INCREASES
We are subject to certain market adjustments especially in terms of the price increases of bulk electricity purchases by ESKOM. we have the right to appeal for certain price limits, but the past have indicated that less and less of our consumers can afford a constant price increaseof between 15 to 22 %. The result is an ever increasing consumer resistance . Unfortunately the price increase burden are spread over the Republic and our entity have no real benefit in price increases.

- 37 ENTITIES DISCLOSURE
Disclosure of entities a list of all municipal entities under the sole or shared control of the municipality during the financial year and as at the last day of the financial year in terms of section 125 of the MFMA
- | Name of entity | THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY (PTY) LTD | | | |
|--|--|------------|-----|------------|
| Registration number | 2010/017614/07 | | | |
| Address | P.O BOX 2403 NELSPRUIT 1200 | | | |
| Contact | TEL | 0137526179 | FAX | 0137526732 |
| Email | modia@telkomsa.net | | | |
| Country of incorporation | South Africa | | | |
| Nature of bussiness and principal activities | Local Economic Development and related activities | | | |
| Directors | M J MOHLALA | | | |
| | V L MASHABANE | | | |
| | P M MKHONTO | | | |
| | B P SIBIYA | | | |
| | P J DU PLESSIS | | | |
| Registered office | CNR Vijoen and sentraal street
Lydenburg
1120 | | | |
| Bussines adress | 69 Main street
sabie
1260 | | | |
| Accountants | Maake and Associates Chartered Accountants | | | |
| Legal relationship to TCLM | Councill appoints the board of directros
Councill have oversight role | | | |

- 38 DISCLOSURE IN TERMS OF SECTION 125. (1) PAYMENTS TO ORGANISED LOCAL GOVERNMENT
- | ORGANISED LOCAL GOVERNMENT INSTITUTION | PERIOD UP TO 30
JUNE 2012 | OUTSTANDING 30
JUNE 2012 |
|--|------------------------------|-----------------------------|
| IMATU | 202,851.02 | 7,128.00 |
| SALGCB | 52,777.40 | 2,600.00 |
| SALGA | 1,121,265.53 | 1,871,614.00 |
| SAMWU | 1,008,311.74 | 42,575.00 |

- 39 COMMITMENTS AT YEAR END

to our information





THABA CHWEU LOCAL MUNICIPALITY
APPENDIX A
SCHEDULE OF EXTERNAL LOANS
30-Jun-12

	Loan number	Redeemable Date	BAL 30 JUNE 2011	Received during the period	Redeemed / written off during the period	BAL 30 JUNE 2012
EXTERNAL LOANS			R	R	R	R
LONG-TERM LOANS						
			10,267,392		(507,495)	9,759,897
Inca other borrowings			-			-
less : current portion transferred to current liabilities			507,485		607,635	(507,495)
local registered stock loans			-		-	-
Annuity loans			-		-	-
annuity loans			-		-	-
TOTAL EXTERNAL LOANS			9,759,907	-	100,140	9,252,402
LOAN OWNER :INCA INFRASTRUCTURE FINANCE CORPORATION LIMITED						
LOAN SHO2-P						
COUPON RATE 13.61 %						
TERMS OF REPAYMENT : 12 MONTHLY						
CAPITAL REPAYMENT : ANNUITY 30 NOV 2013						

THABA CHWEU LOCAL MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT (INFRASTRUCTURE and other ASSETS)
as at 30 June 2012

	Cost / Revaluation				Accumulated Depreciation				Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Corrections	Closing Balance	Opening Balance	Depreciation	Disposals	Closing Balance			
	R	R	R	R	R	R	R	R	R	R	R
Land	49,831,972	-	-	49,831,972	-	-	-	-	-	77,489,633	127,321,605
Land : Lydenburg	516,200	-	-	516,200	-	-	-	-	-	82,293,695	82,809,895
Land : Mashising	2,569,436	-	-	2,569,436	-	-	-	-	-	(2,569,436)	-
Land: Kellysville	477,410	-	-	477,410	-	-	-	-	-	(477,410)	-
Land : Sabie	6,545,016	-	-	6,545,016	-	-	-	-	-	4,739,186	11,284,202
Land : Simile	9,176,160	-	-	9,176,160	-	-	-	-	-	(9,176,160)	-
Land : Leroro	1,000	-	-	1,000	-	-	-	-	-	(1,000)	-
Land : Graskop	23,566,650	-	-	23,566,650	-	-	-	-	-	5,098,429	28,665,079
Land : Other	-	-	-	-	-	-	-	-	-	4,562,429	4,562,429
Land : Harmony hill	6,980,100	-	-	6,980,100	-	-	-	-	-	(6,980,100)	-
Buildings	48,938,000	-	-	48,938,000	-	7,447,558	-	7,447,558	-	56,149,075	97,639,517
Buildings : Lydenburg	15,340,000	-	-	15,340,000	-	4,903,921	-	4,903,921	-	65,668,030	76,104,106
Buildings : Mashising	4,840,000	-	-	4,840,000	-	-	-	-	-	(4,840,000)	-
Buildings : Other	-	-	-	-	-	57,364	-	57,364	-	632,339	574,978
Buildings : Sabie	17,365,000	-	-	17,365,000	-	1,348,636	-	1,348,636	-	(3,017,274)	12,999,090
Buildings : Simile	5,155,000	-	-	5,155,000	-	-	-	-	-	(5,155,000)	-
Buildings : Leroro	121,000	-	-	121,000	-	-	-	-	-	(121,000)	-
Buildings : Graskop	5,897,000	-	-	5,897,000	-	1,137,637	-	1,137,637	-	3,201,981	7,961,344
Buildings : Harmony hill	220,000	-	-	220,000	-	-	-	-	-	(220,000)	-
Infrastructure	1,504,311,150	7,870,784	-	1,512,181,934	-	36,055,969	-	36,055,969	-	(769,883,852)	706,242,111
Reservoirs	76,230,000	-	-	76,230,000	-	753,801	-	753,801	-	(58,964,667)	16,511,533
Roads	908,484,000	-	-	908,484,000	-	15,185,643	-	15,185,643	-	(823,030,928)	70,267,428
Servitudes	-	-	-	-	-	-	-	-	-	179,085,372	179,085,372
Outfall Sewers	-	-	-	-	-	427,244	-	427,244	-	11,551,529	11,124,285
Reticulation Networks	59,600,000	-	-	59,600,000	-	2,310,158	-	2,310,158	-	49,921,096	107,210,938
Waste Water Treatment	51,000,000	-	-	51,000,000	-	1,255,874	-	1,255,874	-	(32,657,359)	17,086,768
Electricity Networks	-	349,267	-	349,267	-	5,643,237	-	5,643,237	-	153,937,076	148,643,106
Boreholes	1,110,000	-	-	1,110,000	-	295,610	-	295,610	-	2,658,715	3,473,105
Water Supply Distribution	-	7,521,518	-	7,521,518	-	4,630,852	-	4,630,852	-	55,970,729	58,861,394
Dams & Weirs	300,150,000	-	-	300,150,000	-	242,849	-	242,849	-	(296,345,808)	3,561,343
Water Treatment Works	26,600,000	-	-	26,600,000	-	463,580	-	463,580	-	(21,027,038)	5,109,382
Water Supply Network Pump Stations	12,325,000	-	-	12,325,000	-	810,243	-	810,243	-	(3,204,400)	8,310,357
Pipelines	68,812,150	-	-	68,812,150	-	-	-	-	-	(68,812,150)	-
Road Bridges	-	-	-	-	-	1,861,893	-	1,861,893	-	51,575,199	49,713,306
Sanitation Pump Stations	-	-	-	-	-	177,303	-	177,303	-	1,855,377	1,678,073
Water Bulk Mains	-	-	-	-	-	156,614	-	156,614	-	4,079,034	3,922,420
Storm Water	-	-	-	-	-	1,841,069	-	1,841,069	-	23,524,369	21,683,300

THABA CHWEU LOCAL MUNICIPALITY											
APPENDIX B											
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT (INFRASTRUCTURE and other ASSETS)											
as at 30 June 2012											
	Cost / Revaluation				Accumulated Depreciation						
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Depreciation	Disposals	Closing Balance			
	R	R	R	R	R	R	R	R	R	R	
Landfill sites										328,484	328,484
Landfill sites										328,484	328,484
Community Assets	-	-	-	-	-	4,603,510	-	4,603,510	-	28,922,553	24,319,043
Parks & Gardens	-	-	-	-	-	8,018	-	8,018	-	62,252	54,234
Airports	-	-	-	-	-	21,342	-	21,342	-	127,055	105,713
Clinics	-	-	-	-	-	422,943	-	422,943	-	2,542,529	2,119,586
Crèches / care centers	-	-	-	-	-	153,483	-	153,483	-	718,470	564,987
Museums	-	-	-	-	-	101,604	-	101,604	-	1,364,193	1,262,589
Taxi Ranks	-	-	-	-	-	117,825	-	117,825	-	812,555	694,730
Libraries	-	-	-	-	-	265,376	-	265,376	-	1,429,643	1,164,267
Recreation Grounds	-	-	-	-	-	2,132,730	-	2,132,730	-	14,287,914	12,155,184
Halls	-	-	-	-	-	1,212,385	-	1,212,385	-	6,536,958	5,324,573
Cemeteries	-	-	-	-	-	167,803	-	167,803	-	1,040,983	873,180
Heritage Assets	-	-	-	-	-	198,875	-	198,875	-	1,269,571	1,070,696
Historical Buildings	-	-	-	-	-	198,875	-	198,875	-	1,269,571	1,070,696
Total carried forward	1,603,081,122	7,870,784	-	1,610,951,906	-	48,305,912	-	48,305,912	-	(605,724,537)	956,921,451

THABA CHWEU LOCAL MUNICIPALITY											
APPENDIX B											
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT											
as at 30 June 2012											
	Cost / Revaluation				Accumulated Depreciation						Carrying Value
	Opening Balance	Additions	corrections	Closing Balance	Opening Balance	Depreciation	Disposals	Closing Balance	Transfers	Other movements	
	R	R	R	R	R	R	R	R	R	R	
Total brought forward	1,603,081,122	7,870,784	-	1,610,951,906	-	48,305,912	-	48,305,912	-	(605,724,537)	956,921,451
Other Assets											
Office Equipment furniture and fittings	117,626	-	(117,626)	-	-	2,121,499	-	2,121,499	-	4,893,009	2,771,511
Office Equipment	-	-	-	-	-	1,176,233	-	1,176,233	-	1,828,363	652,130
Emergency Equipment motor vehicles	644,109	-	(644,109)	-	-	210,451	-	210,451	-	387,170	176,710
Plant machinery and equipment	-	-	-	-	-	574,602	-	574,602	-	851,452	276,850
Refuse tankers	178,906	-	(178,906)	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	1,118,125	-	1,118,125	-	1,839,726	721,601
Computer Software (part of computer equipment)	99,213	-	-	99,213	99,213	99,213	-	99,213	-	-	-
Total other assets	1,039,854	-	(940,641)	99,213	99,213	5,300,123	-	5,300,123	-	9,799,720	4,598,800
Finance Lease Assets											
Total	1,604,120,976	7,870,784	(940,641)	1,611,051,119	99,213	53,606,035	-	53,606,035	-	(595,924,817)	961,520,260



THABA CHWEU LOCAL MUNICIPALITY
APPENDIX C
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
as at 30 June 2012

	Cost / Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions OR (CHANGES)	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	
Executive & Council	98,769,972	66,585,149			165,355,121	-			-	165,355,121
Finance & Admin	-				-	-			-	-
Planning & Development	-				-	-			-	-
Health	-				-	-			-	-
Community & Social Services	-				-	-			-	-
Public Safety	-				-	-			-	-
Sport & Recreation	-				-	-			-	-
Environmental Protection	-				-	-			-	-
Waste Management	51,000,000	(32,657,359)			18,342,641	-	1,255,874		1,255,874	17,086,768
Road Transport	908,484,000	(817,773,216)			90,710,784	-	22,098,700		22,098,700	68,612,084
Water	485,227,150	(307,338,885)			177,888,265	-	11,825,141		11,825,141	166,063,124
Electricity	59,600,000	203,858,172			263,458,172	-	8,602,127		8,602,127	254,856,046
Other	1,039,854	299,272,104		(940,641)	299,371,317	-	9,824,193		9,824,193	289,547,124
Total	1,604,120,976	(588,054,034)	-	(940,641)	1,015,126,301	-	53,606,035	-	53,606,035	961,520,267



THABA CHWEU MUNICIPALITY
APPENDIX D
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2011



2011	2011	2011		2012	2012	2012
Actual Income	Actual Expenditure	Surplus / (Deficit)		Actual Income	Actual Expenditure	Surplus / (Deficit)
R	R	R		R	R	R
54,565,843	22,086,316	32,479,527	Executive & Council	NOTE BELOW	NOTE BELOW	NOTE BELOW
-	21,271,936	(21,271,936)	Corporate Services	NOTE BELOW	NOTE BELOW	NOTE BELOW
59,764,520	36,709,211	23,055,309	Finance & Admin	NOTE BELOW	NOTE BELOW	NOTE BELOW
-	8,309,023	(8,309,023)	Planning & Development	NOTE BELOW	NOTE BELOW	NOTE BELOW
-	789,464	(789,464)	Health	NOTE BELOW	NOTE BELOW	NOTE BELOW
591,249	2,332,305	(1,741,057)	Community & Social Services	NOTE BELOW	NOTE BELOW	NOTE BELOW
-	894,637	(894,637)	Housing	NOTE BELOW	NOTE BELOW	NOTE BELOW
-	2,395,924	(2,395,924)	Public Safety	NOTE BELOW	NOTE BELOW	NOTE BELOW
-	6,848,939	(6,848,939)	Sport & Recreation	NOTE BELOW	NOTE BELOW	NOTE BELOW
-	418,893	(418,893)	Environmental Protection	NOTE BELOW	NOTE BELOW	NOTE BELOW
8,567,041	10,115,402	(1,548,361)	Waste Management	NOTE BELOW	NOTE BELOW	NOTE BELOW
8,766,424	2,633,737	6,132,687	Waste Water Management	NOTE BELOW	NOTE BELOW	NOTE BELOW
5,407,079	30,781,790	(25,374,711)	Road Transport	NOTE BELOW	NOTE BELOW	NOTE BELOW
25,593,319	10,913,681	14,679,638	Water	NOTE BELOW	NOTE BELOW	NOTE BELOW
67,973,432	92,872,634	(24,899,202)	Electricity	NOTE BELOW	NOTE BELOW	NOTE BELOW
3,476,980	42,616	3,434,364	Other	NOTE BELOW	NOTE BELOW	NOTE BELOW
234,705,887	249,416,508	(14,710,621)	Total			

30 JUNE 2012 INCOME BUDGET VARIANCE REPORT

The initial budget was compiled in terms of sect 139 invoked on the Municipality during the preparation of the budget. The budget at that stage was compiled in terms of section 141 of the MFMA which indicates Criteria for financial recovery plans

142. (1) A financial recovery plan must be aimed at securing the municipality's ability to meet its obligations to provide basic services or its financial commitments, and such a plan, whether for a mandatory or discretionary intervention—

(a) must—

(i) identify the financial problems of the municipality;

(ii) be designed to place the municipality in a sound and sustainable financial condition as soon as possible;

(iii) state the principal strategic objectives of the plan, and ways and means for achieving those objectives;

(iv) set out a specific strategy for addressing the municipality's financial problems, including a strategy for reducing unnecessary expenditure and increasing the collection of revenue, as may be necessary;

(v) identify the human and financial resources needed to assist in resolving financial problems, and where those resources are proposed to come from;

(vi) describe the anticipated time frame for financial recovery, and milestones to be achieved; and

(vii) identify what actions are necessary for the implementation of the plan, distinguishing between actions to be taken.

During the financial year under review the new management took over from the administrator during October and sect 139 was rescinded. It follows then that the situation changed from an emergency recovery plan to an operational non sect 139 entity. During the latter period the situation was stabilized and we are still busy with that process. A mid year assessment was done and council made some operational decisions upon that submission. It must also be noted that only during January the prior year AFS were compiled, section 71 reporting instituted as well as a variety of other MFMA management dictums. It thus follows that the budget which was an emergency recovery plan in terms of section 140 of the MFMA were operationally adjusted and even certain account GFS allocations corrected. This resulted in a unfortunate situation where the prior budget cannot be effectively compared with the actual figures.

BUDGET 2012	ACTUAL 2012	VARIANCE 2012	VOTE	DEPARTMENT IN GL	reason for variance
-288,995,986.00	-266,227,666.00	92.12%			
1,000.00	-26.44	-2.64%	0001	MUNICIPAL MANAGER	Due to recovery plan conversion to operational management
-1,011,000.00	-218,394.68	21.60%	0523	TOWN PLANNING	Due to recovery plan conversion to operational management
-138,000.00	-33,000.00	23.91%	0511	MUNICIPAL BUILDING	Due to recovery plan conversion to operational management
-1,950,000.00	-827,790.30	42.45%	0469	TRAFFIC	Due to recovery plan conversion to operational management
-86,158,311.00	-37,632,893.00	43.68%	0220	ASSESSMENT RATES	Due to recovery plan conversion to operational management
-282,200.00	-204,295.68	72.39%	0370	FLATS	Due to recovery plan conversion to operational management
-27,236,910.00	-23,462,567.00	86.14%	0560	WATER	Due to recovery plan conversion to operational management
-8,930,587.00	-8,096,465.00	90.66%	0570	WASTE WATER MANAGEMENT	Due to recovery plan conversion to operational management
-66,656,000.00	-54,328,913.13	96.51%	0111	DONATIONS/GRANTS	Due to recovery plan conversion to operational management
-48,000.00	-46,789.56	97.48%	0360	MUNICIPAL HOUSING	Due to recovery plan conversion to operational management
-2,040,000.00	-2,040,000.00	100.00%	0215	MSIG	Due to recovery plan conversion to operational management
-73,164,578.00	-73,607,954.00	100.61%	0540	ELECTRICITY	Due to recovery plan conversion to operational management
-18,000,000.00	-19,003,035.80	105.57%	0463	LICENSING	Due to recovery plan conversion to operational management
-89,000.00	-97,740.01	109.82%	0447	GRASKOP RESORT	Due to recovery plan conversion to operational management
-34,900.00	-38,388.39	110.00%	0410	LIBRARIES	Due to recovery plan conversion to operational management
-33,700.00	-41,781.96	123.98%	0420	CEMETRIES	Due to recovery plan conversion to operational management
-48,000.00	-61,035.05	127.16%	0353	TOWNLANDS	Due to recovery plan conversion to operational management
-93,000.00	-119,820.17	128.84%	0445	CARAVAN PARK	Due to recovery plan conversion to operational management
-33,250.00	-44,519.18	133.89%	0430	MUSEUMS	Due to recovery plan conversion to operational management
-650,000.00	-883,000.00	135.85%	0563	WATER LERORO	Due to recovery plan conversion to operational management
-5,000.00	-6,979.24	139.58%	0449	MASHISHING GAME RESERVE	Due to recovery plan conversion to operational management
-4,500.00	-9,036.75	200.82%	0303	ADMINISTRATION	Due to recovery plan conversion to operational management
-7,800.00	-15,947.26	204.45%	0435	MARKET STALLS	Due to recovery plan conversion to operational management
-140,150.00	-413,009.63	294.69%	0521	BUILDING CONTROL AND INSPECTION	Due to recovery plan conversion to operational management
-39,000.00	-179,684.40	460.73%	0365	HOTELS	Due to recovery plan conversion to operational management
-856,600.00	-7,589,406.67	885.99%	0211	REVENUE MANAGEMENT	Due to recovery plan conversion to operational management
-12,000.00	-147,481.86	1229.02%	0203	SUPPLY CHAIN MANAGEMENT	Due to recovery plan conversion to operational management
-1,334,500.00	-26,690,000.00	2000.00%	0503	PROJECT MANAGEMENT UNIT	Due to recovery plan conversion to operational management
0.00	-15,180.56		0109	COUNCIL AND GENERAL	Due to recovery plan conversion to operational management
0.00	-160.00		0201	BUDGET AND TREASURY OFFICE	Due to recovery plan conversion to operational management
0.00	-6,615.00		0307	OCCUPATIONAL HEALTH SERVICES	Due to recovery plan conversion to operational management
0.00	-363,137.64		0309	HUMAN RESOURCE MANAGEMENT	Due to recovery plan conversion to operational management
0.00	-2,617.14		0505	TECHNICAL AND ENGINEERING	Due to recovery plan conversion to operational management

30 JUNE 2012 EXPENDITURE BUDGET VARIANCE REPORT

BUDGET 2012	ACTUAL 2012	VARIANCE 2012	VOTE	DEPARTMENT IN GL	
312,537,873.00	326,360,198.00	104.42%			
729,533.00	70,224.79	9.63%	0301	INSTITUTIONAL DEVELOPMENT	Due to recovery plan conversion to operational management
60,313.00	10,105.00	16.75%	0449	MASHISHING GAME RESERVE	Due to recovery plan conversion to operational management
731,153.00	148,845.97	20.36%	0200	FINANCIAL VIABILITY	Due to recovery plan conversion to operational management
977,297.00	249,810.81	25.56%	0213	CREDIT CONTROL & DEBT COLLECTION	Due to recovery plan conversion to operational management
1,174,348.00	473,449.70	40.32%	0041	SERVICE DELIVERY UNIT MANAGERS	Due to recovery plan conversion to operational management
294,198.00	123,008.68	41.81%	0003	MM SECRETARY	Due to recovery plan conversion to operational management
785,642.00	372,206.77	47.38%	0521	BUILDING CONTROL AND INSPECTION	Due to recovery plan conversion to operational management
16,131,831.00	8,256,721.88	51.18%	0220	ASSESSMENT RATES	Due to recovery plan conversion to operational management
1,212,696.00	653,799.05	53.91%	0033	ECONOMIC DEVELOPMENT	Due to recovery plan conversion to operational management
2,964,337.00	1,695,262.60	57.19%	0467	SECURITY	Due to recovery plan conversion to operational management
1,204,252.00	691,771.47	57.44%	0523	TOWN PLANNING	Due to recovery plan conversion to operational management
5,264,946.00	3,256,469.77	61.85%	0505	TECHNICAL AND ENGINEERING	Due to recovery plan conversion to operational management
1,260,328.00	781,184.98	61.98%	0023	COMMUNICATIONS AND MARKETING	Due to recovery plan conversion to operational management
2,040,000.00	1,265,576.31	62.04%	0215	FINANCE MANAGEMENT GRANT	Due to recovery plan conversion to operational management
307,631.00	191,844.63	62.36%	0103	MAYORAL SERVICES	Due to recovery plan conversion to operational management
123,049.00	79,734.40	64.80%	0370	IMPAIRMENT LOSSES	Due to recovery plan conversion to operational management
1,388,322.00	920,336.15	65.82%	0001	MUNICIPAL MANAGER	Due to recovery plan conversion to operational management
1,270,165.00	852,522.32	67.12%	0445	CARAVAN PARK	Due to recovery plan conversion to operational management
6,215,260.00	4,222,669.62	67.94%	0570	WASTE WATER MANAGEMENT	Due to recovery plan conversion to operational management
21,018,795.00	14,757,825.92	70.21%	0463	LICENSING	Due to recovery plan conversion to operational management
3,433,600.00	2,631,070.53	76.63%	0440	PARKS	Due to recovery plan conversion to operational management
5,276,800.00	4,047,723.55	76.71%	0111	DONATIONS	Due to recovery plan conversion to operational management
2,360,375.00	1,815,924.42	76.93%	0525	MECHANICAL WORKSHOP	Due to recovery plan conversion to operational management
3,786,937.00	2,953,832.43	78.00%	0309	HUMAN RESOURCE MANAGEMENT	Due to recovery plan conversion to operational management
546,960.00	436,077.02	79.73%	0010	INTERNAL AUDIT	Due to recovery plan conversion to operational management
7,095,257.00	5,791,882.41	80.78%	0211	REVENUE MANAGEMENT	Due to recovery plan conversion to operational management
3,758,190.00	3,108,189.43	82.70%	0460	EMERGENCY AND DISASTER MANAGEMENT	Due to recovery plan conversion to operational management
680,759.00	566,302.04	83.19%	0105	SPEAKER	Due to recovery plan conversion to operational management
324,221.00	273,479.04	84.35%	0106	SPEAKER SECRETARY	Due to recovery plan conversion to operational management
1,334,499.00	1,149,359.75	86.13%	0503	PROJECT MANAGEMENT UNIT	Due to recovery plan conversion to operational management
1,079,576.00	980,925.19	90.86%	0365	HOSTELS	Due to recovery plan conversion to operational management
437,843.00	398,168.49	90.94%	0230	STORES	Due to recovery plan conversion to operational management
747,271.00	698,629.53	93.49%	0401	SOCIAL DEVELOPMENT SERVICES: DIRECTOR	Due to recovery plan conversion to operational management
542,217.00	509,436.20	93.95%	0031	INTEGRATED DEVELOPMENT PLANNING	Due to recovery plan conversion to operational management
1,905,917.00	1,791,877.05	94.02%	0410	LIBRARIES	Due to recovery plan conversion to operational management
12,181,186.00	11,474,050.99	94.19%	0495	WASTE MANAGEMENT SERVICES	Due to recovery plan conversion to operational management
971,721.00	927,397.82	95.44%	0483	CLINICS	Due to recovery plan conversion to operational management
4,328,924.00	4,175,853.79	96.45%	0563	WATER LERORO	Due to recovery plan conversion to operational management
599,437.00	584,093.49	97.44%	0430	MUSEUMS	Due to recovery plan conversion to operational management
2,311,120.00	2,268,964.83	98.18%	0035	LIASON OFFICER	Due to recovery plan conversion to operational management
398,549.00	398,337.80	99.95%	0433	BAMBANANI	Due to recovery plan conversion to operational management
970,137.00	976,991.47	100.71%	0101	MAYOR	Due to recovery plan conversion to operational management
367,264.00	371,721.28	101.21%	0450	ENVIRONMENTAL HEALTH	Due to recovery plan conversion to operational management
1,200.00	1,236.74	103.06%	0353	TOWN LANDS	Due to recovery plan conversion to operational management
10,354,690.00	10,758,785.80	103.90%	0469	TRAFFIC	Due to recovery plan conversion to operational management
98,121,117.00	102,079,536.26	104.03%	0540	ELECTRICITY	Due to recovery plan conversion to operational management
12,492,296.00	13,179,434.14	105.50%	0550	STREET LIGHTS	Due to recovery plan conversion to operational management
1,033,017.00	1,098,046.49	106.30%	0351	HOUSING	Due to recovery plan conversion to operational management
2,107,150.00	2,332,004.05	110.67%	0511	MUNICIPAL BUILDING	Due to recovery plan conversion to operational management
892,567.00	990,091.78	110.93%	0403	SECRETERIAT	Due to recovery plan conversion to operational management
2,035,986.00	2,366,715.06	116.24%	0313	LEGAL DEPARTMENT	Due to recovery plan conversion to operational management
13,054,461.00	16,270,367.00	124.63%	0303	ADMINISTRATION	Due to recovery plan conversion to operational management
668,375.00	873,512.22	130.69%	0203	SUPPLY CHAIN MANAGEMENT	Due to recovery plan conversion to operational management
804,474.00	1,113,987.49	138.47%	0501	ENGINEERING DIRECTOR	Due to recovery plan conversion to operational management
2,038,469.00	2,966,332.87	145.52%	0447	GRASKOP RESORT	Due to recovery plan conversion to operational management
18,407,834.00	27,566,543.53	149.75%	0701	CAPITAL PROJECTS	Due to recovery plan conversion to operational management
1,010,834.00	1,615,199.99	159.79%	0107	FULL TIME COUNCILLORS	Due to recovery plan conversion to operational management
13,143,645.00	22,114,590.83	168.25%	0201	BUDGET & TREASURY OFFICE	Due to recovery plan conversion to operational management
7,565,602.00	14,019,304.49	185.30%	0109	COUNCIL & GENERAL	Due to recovery plan conversion to operational management
5,221,238.00	10,341,634.30	198.07%	0527	AIRPORT	Due to recovery plan conversion to operational management
666,063.00	1,486,689.69	223.21%	0565	WATER RURAL	Due to recovery plan conversion to operational management
2,088,037.00	6,769,913.40	324.22%	0491	LANDFILL SITES	Due to recovery plan conversion to operational management
227,352.00	1,072,612.50	471.78%	0420	CEMETRIES	Due to recovery plan conversion to operational management



THABA CHWEU LOCAL MUNICIPALITY

APPENDIX E

STATEMENT OF COMPARATIVE AND ACTUAL INFORMATION

as at 30 June 2012

Description	Original Budget	Budget Adjustments (i.t.o. s28 & s31 Of The MFMA)	Virement (i.t.o. Council Approved By- law)	Final Budget	Actual Income	Unauthorised Expenditure	Variance	Actual Income As % Of Final Budget	Actual Outcome As % Of Original Budget
	1	2	3	4	5	6	7	8	9
	R	R	R	R	R	R	R	R	R
Financial Performance									
Property Rates		0.00	0.00	-86,158,311.00	34,816,500.69			-40.41%	-40.41%
Service Charges		0.00	0.00	-118,273,442.00	114,598,313.26			-96.89%	-96.89%
Investment Revenue		0.00	0.00	-700,000.00	6,237,501.00			-891.07%	-891.07%
Transfers Recognised - Operational		0.00	0.00	-70,680,500.00	95,160,913.13			-134.64%	-134.64%
Other Own Revenue		0.00	0.00	-6,882,100.00	19,503,532.65			-283.40%	-283.40%
Total Revenue (Excluding Capital Transfers & Contributions)	0.00	0.00	0.00	-282,694,353.00	270,316,760.73	0.00	0.00	-95.62%	-95.62%
Employee Costs		0.00	0.00	98,357,338.00	91,688,523.77			93.22%	93.22%
Remuneration Of Councillors		0.00	0.00	3,726,659.00	7,261,687.81			194.86%	194.86%
Finance Charges		0.00	0.00	2,040,000.00	1,563,607.30			76.65%	76.65%
Materials & Bulk Purchases		0.00	0.00	84,886,814.00	93,307,066.39			109.92%	109.92%
Transfers & Grants		0.00	0.00	1,776,800.00	32,588,097.86			1834.09%	1834.09%
Other Expenditures		0.00	0.00	75,698,914.00	94,359,328.96	25,442,935.21	26.96%	124.65%	91.04%
Total Expenditure	0.00	0.00	0.00	266,486,525.00	320,768,312.09	25,442,935.21	26.96%	120.37%	120.37%
Surplus/(Deficit)	0.00	0.00	0.00	-16,207,828.00	-50,451,551.36	-25,442,935.21	-26.96%	311.28%	311.28%
Transfers Recognised - Capital		0.00	0.00		0.00				
Contributions Recognised - Capital & Contributed Assets		0.00	0.00		0.00				
Surplus/(Deficit) After Capital Transfers & Contributions	0.00	0.00	0.00	-16,207,828.00	-50,451,551.36	-25,442,935.21	-26.96%	311.28%	311.28%
Share Of Surplus/(Deficit) Of Associate		0.00	0.00		0.00				
Surplus/(Deficit) For The Year	0.00	0.00	0.00	-16,207,828.00	-50,451,551.36	-25,442,935.21	-26.96%	311.28%	311.28%
Capital Expenditure & Funds Sources									
Capital Expenditure									
Transfers Recognised - Capital	0.00	0.00	0.00	0.00	26,690,000.00				
Public Contributions & Donations	0.00	0.00	0.00	0.00	0.00				
Borrowing	0.00	0.00	0.00	0.00	0.00				
Internally Generated Funds	0.00	0.00	0.00	0.00	0.00				
Total Sources Of Capital Funds	0.00	0.00	0.00	0.00	26,690,000.00	0.00	0.00	0.00	0.00

MID YEAR BUDGET AND PERFORMANCE ASSESSMENT 2012/2013) 31 DECEMBER 2012



Table of Contents

I. PART I IN YEAR REPORT	4
A. MAYORS REPORT	4
1. Service Delivery Performance Plan – SDBIP	4
2. Financial problems and risks.....	4
3. Other Information	4
4. Comments on Annual Report	4
 B. RESOLUTIONS	4
C. EXECUTIVE SUMMARY	5
1. Purpose.....	5
2. Background	5
3. Summary Statement of Financial Performance (Page xx)	5
4. Operational Expenditure Analysis	6
5. Income Analysis	7
6. Capital Expenditure	7
7. Cash Management	8
8. Borrowings.....	Error! Bookmark not defined.
9. Investments	8
10. Debtors	8
11. Creditors	9
12. Expenditure on Conditional Grants	9
13. Performance Indicators.....	Error! Bookmark not defined.
2. OTHER SUPPORTING DOCUMENTATION (Annexure 3)	Error! Bookmark not defined.
3. Municipal Manager's Quality Certification.....	Error! Bookmark not defined.

I. PART 1 IN YEAR REPORT

A. MAYOR'S REPORT

Thaba Chweu Local Municipality relish all the concerted effort displayed by all stakeholders and the community at large, since we emerged from the painful experience the Municipality was engulfed in. We now mark the midyear of our rebuild and modernisation phase of our beloved Municipality with pride.

The Municipal Council and administration has collectively joined hands and worked together against all odds in re-shaping and re aligning commitment to our community in an effort to deliver affordable services. The progress made thus far in delivering free water and electricity in terms of indigent policies displays yet another effort to change life of our people for the better.

To this end, given some financial difficulties Municipality has been faced with for the past six months of rebuilding and stabilisation, we have managed to identify areas we can reduce our operational spending and channel those savings to our capital spending for our capital projects in all projects identified in our IDP and SDBIP. The Municipality still remain resolute in advancing national presidency's call in skilling and developing new graduates by recruiting five (10) interns through FMG support grant

In a bid to fight fraud and corruption and strengthening our Municipality internal controls and governance structures, the Municipality have established Internal Audit unit and Audit committee. However outsourced the risk management unit.

For the next six (6) months the municipality will mobilise its structures in an effort to intensify its services to the Communities of Thaba Chweu

Together we can do more

Cllr Mr B. M. NCONGWANE
Executive Moyer of Thaba Chweu Local Municipality
29 December 2012

B. RESOLUTIONS

Council Resolution has been attached as an annexure.

C. EXECUTIVE SUMMARY

1. Purpose promulgated in the Government Gazette No 3214 of 17 April 2009 regarding Municipal Budget and Reporting Regulations, which requires that specific financial particulars be reported on and in the formats prescribed.

2. Background

"The accounting officer of a municipality must by 25 January of each year (a) assess the performance of the municipality during the first half of the financial year, and submit a report on such assessment to the Mayor, National Treasury and Provincial Treasury as per section 72 (1) (b) of the Act..."

"The mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the municipality"

The mid-year reports and supporting tables of Thaba Chweu Local Municipality has been prepared in accordance with the Municipal Budget and Reporting Regulations as attached in Annexure attached

3. Summary Statement of Financial Performance (Page xx)

The Summary Statement of Financial Performance shown in Annexure B, Table C4, is preparation a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by input type. The summary report indicates the following:

Summary Statement of Financial Performance				
Description	Budget 2012/13	YTD Actual	Budget (%)	Full Year Forecast
Total Revenue By source (Excl Capital Transfers)	R 253 607 930	R 216 890 517	85 %	R 433 781 034
Total Expenditure	R 296 788 027	R 152 076 735	51 %	R 304 153 470
Surplus/(Deficit)	-R 43 180 097	R 64 813 782	150%	R 129 627 564

4. Operational Expenditure Analysis

The table below indicates expenditure by type

Description	Budget 2012/13	YTD Actual	YTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Employees cost	R 100 262 000	R 39 528 288	R 100 262 000	R 60 733 712	40%	R 79 056 576
Councillors Remuneration	R 7 344 533	R 2 786 944	R 7 344 533	R 4 527 589	38%	R 5 573 888
Finance Charges	R 3 396 930	R 1 183 208	R 3 396 930	R 2 213 722	34%	R 2 366 416
Material and Bulk Purchases	R 89 331 846	R 35 021 827	R 89 331 846	R 54 310 019	39%	R 70 043 654
Transfer and grants	R 5 326 800	R 109 301	R 5 326 800	R 5 217 499	2%	R 218 602
Contracted Services	R 30 627 540	R 25 155 973	R 30 627 540	R 5 471 567	82%	R 50 311 946
Dad Debts	R 24 022 746	R 73 868 426	R 24 022 746	R 24 022 746	115%	R 147 736 852
Other Expenditure	R 26 788 926	R 45 553 794	R 26 788 926	-R 18 764 868	170%	R 91 107 588
	R 287 071 321	R 186 567 481	R 287 071 321	R 186 567 481	86%	R 446 415 522

Year to date operating expenditure reflect the overall expenditure of 65 % percent of the expected 50 % by midyear compared to the year to date budget, items which led the under expenditure from the budget are as follows:

There are number of cases that were running during the financial year which attributed to the under expenditure which among others includes:

- Employee related cost reflect a 40% (R,39,6 million) due to the process of filling vacant posts and that the budgeted percentage increase was 8.5% whereas 6.8% was awarded, among other this which led the Municipality to under spend on employees related cost are large number of vacant post in senior management.

The Municipality has nevertheless spend significantly high on contract services by 82 % of R 25 Million of the total R30 million Budgeted by midyear, this is as result of too much contract Municipality currently having.

Material and Bulk purchases remain behind by 11 % of the expected 50 % by midyear which will ultimately affect overall operational spending trend by the Municipality by end of December.

· Electricity bulk purchases amount of R26,7million is due to the high number of electricity units purchased from Eskom resulting in the increased revenue on electricity. Year to date savings on operational expenditure are as follows:

· The Municipality did not provide for Depreciation for the assets, which informed by overall Municipal re – evaluation and unbundling of infrastructural asset in terms GRAP 17 which resulted saving as the municipality will account for depreciation at year end, however the depreciation amount is forecast to be significantly high and will however have impacts on the municipality's cash flow.

5: Income Analysis

The table below indicates revenue by source:

Description	Budget 2012/13	YTD Actual	YTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Property rate	R 38 197 000	R 12 009 838	R 38 197 000	R 26 187 162	31%	R 24 019 676
Services Charges	R 134 548 000	R 40 378 106	R 134 548 000	R 94 169 894	30%	R 80 756 212
Transfer Recognise- operational	R 80 612 000	R 64 972 000	R 80 612 000	R 15 640 000	81%	R 80 612 000
Other own Revenue	R 6 903 930	R 135 607 573	R 6 903 930	-R 128 703 643	1964%	R 271 215 146
Investments	-	R 9 361 269	-	R 9 361 269	-	R 9 361 269
Total Revenue (Excl Capital Transfer and Contribution)	R 260 260 930	R 262 967 517	R 260 260 930	R 16 654 682	188%	R 465 964 303

6. Capital Expenditure

The table below indicates capital expenditure

Description	Budget 2011/12	YTD Actual	YTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Total Transfer Recognised	R 32 377 000	-	R 32 377 000	R -	0 %	R 32 377 000
Borrowings	R 100 000 000	-	R 100 000 000	R -	0 %	R 100 000 000
Government Grant (INEP)	R 3 700 000	-	R 3 700 000	R -	0 %	R 3 700 000
Total Source of Capital funds	R 127 077 000	R -	R 127 077 000	R -	0 %	R 127 077 000

7. Cash Management

The cash flow of the municipality declined from R3,5 million to R 2,3 bank balance as of 31 December compared to the year to date, The decline of the cash and cash equivalent is as a result of too much commitment on operating expenditure. The net cash available at 31 December 2012 amount to R 2,3million. The following table is the breakdown of the available cash:

INSTITUTION AND ACCOUNT NAME	AMOUNT R'000
1.Lydenburg Absa Account	R 820 287.18
2.Sabie Absa Account	R 27 838.26
3.Standard Bank Municipal Primary Account	R 1 506 030.29
Net cash available as of 31 December 2012	R 2 354 155.73

8. Investments

Investments are strictly in compliance with the Municipal Finance Management Act and the investment regulations. Supporting table SC5 on Annexure A reflect that as at the 31 of December 2012 an amount of R986 071 was invested with old Mutual Insurance and Public Investment Commissioner of about R 6 640 297 respectively.

9. Debtors

Outstanding debtors

Debtors age analysis as at the 31 December 2012:

	From 0- 30 Days		From 31-60 Days		From 61- 90 Days		Over 90 days		Total
	R'00	%	R'00	%	R'00	%	R'00	%	
Debtor as of 31 December 2011	R 5 951 011	7 %	R 6 172 360	7 %	R 16 998 602	20 %	R 53 965 054	65 %	R 83 087 029
Debtor as of 31 December 2012	R 6062 131	7 %	R 3 321 040	4 %	R 3 037 433	4 %	R 73 868 426	86 %	R 86 289 032
Increase/ (Decrease)	R 111 120	%	R 2 851 320	%	R 13 961 169	%	-R 19 903372	%	-R 2 979 763

As at 31 December 2012 consumer debtors have increased from R83 million to R86,million from the same period in 2011. Which made a significant net increase of 9 % which amount (R3 million) which the bulk of it comes from residential customer debt. Thaba Chweu Municipality will submit to council for approval to write offs packed amount of R 54,4million which comes from residential debts which one of the reason there was Mass protest in Lydenburg .The Municipality reflect improvement in stabilization on its ..

10. CREDITORS

EXPENDITURE ON CAPITAL GRANT

Description	Capital Grant		Operating Grant				Total
	MIG	INEG	WSOG	MSIG	FMG	EPWP	
	R'00	R'00	R'00	R'00	R'00	R'00	
As allocation per Dora	R 32 377 000	R 5 700 000	R 5 300 000	R 800 000	R 1 500 000	R 700 000	R 46 377 000
Year to date receipts	R 32 377 000	R 3 700 000	R 5 300 000	R 800 000	R 1 500 000	R 888 000	R 32 916 000
Year to date Condition met	R 65 540	-	-	R 405 693	R 800 877	R 3 748 476	R 16 922 004
Amount Committed	R 32 311 460	R 3 700 000	R 5 300 000	R 394 307	R 699 123	R 2 860 476	R 15 993 996

The above table indicate that the municipality has been allocated an amount of R46million on conditional grants. As at the 31 December 2012 R32, 9 million was received and R16, 9million (conditions met). The Municipality will strive for 100% by year end.

11. INTERNAL FINANCE PROJECTS

11.1 GRAP 17 AND GRAP 16

The Municipality has embarked on GRAP 17 and GRAP 16 projects for compliance with the current GRAP requirements standard on proper account for reporting on our Municipal records. This exercise has cost the Municipality R 4,2 m. These have given our Municipality a proper account on our Municipal assets and investment as per GRAP requirements for future reference and investment

11.2 COST CURTAILMENT MEASURES

Given cash flow challenges the Municipality and under spending on capital, the finance unit has initiated cost curtailment measures on operating spending in a bid to curb excessive operating spending, which to date is at R 186 M out of budgeted R260 M

11.3 REVENUE ENHANCEMENT STRATEGY

The finance section has developed Revenue enhance strategy to be table in the next finance portfolio committee schedule 14 February 2013

12. OTHER SUPPORTING DOCUMENTATION

12.1. Municipal Manager's Quality Certification

I Mr. Burton Shole Koma in my capacity as a Municipal Manager of Thaba Chweu Local Municipality confirm that the Mid-year budget report and performance assessment for the first half of the 2012/2013 financial year period ending December 2013 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Mr B.S. Koma DATE
MUNICIPAL MANAGER
THABA CHWEU LOCAL MUNICIPALITY – MP321



THABA CHWEU MUNICIPALITY

Annual Report of the Audit Committee for the FINANCIAL YEAR END 2011/2012

Mr. A.C. Keyser
Chairperson: Audit Committee
Thaba Chweu Local Municipality

03rd December 2012

The Honorable Mayor: Cllr B.M Ncongwane
Thaba Chweu Local Municipality
Central Street
Civic Centre
LYDENBURG
1120

Dear Sir,

RE: Annual Report of the Audit Committee of TCM for the financial year ended 30 June 2012

The Audit Committee report here with regarding its responsibilities for the year ended 2012. We are pleased to present our report for the financial year ended 30 June 2012 in terms of Section 166 of the Municipal Finance Management Act 56 of 2003.

1. Committee membership and attendance of meeting

The committee met quarterly during the financial year as per its approved terms of reference but 6 meetings took place during the year of which 2 were special meetings.

Initial and Surname	Number of meetings		
	Ordinary meetings(4)	Special meeting(2)	Total meeting attended (6)
Mr AC Keyser	3	2	5
Mr MJ Maboa	3	2	5
MR J Nkosi	4	2	6
Mr ZAT Zitha	4	1	5

2. Audit Committee responsibilities on audit matters

The AC reports that it has complied with its responsibilities arising from sec 166(2) (b) of the Municipal Finance Management Act 56 of 2003(hereafter MFMA) and regulation 3.1 of the Treasury Regulation

The Audit Committee can report that it has adopted appropriate formal terms of reference as contained in its charter, it has been able to carry out the bulk of its responsibilities and functions in compliance with the terms of reference as approved.

The members of the Audit Committee are all independent and have the required qualifications, skills and knowledge, which includes legal, business management, risk management, accounting and financial management, however, where the need arose the Audit Committee was able to obtain the required information from the appropriate expert and or consultants

The committee advised the Accounting Officer and the Executive Mayor on matters relating to internal financial controls, internal audits, risk management, accounting policy, adequacy, reliability and accuracy of financial reporting in compliance with the MFMA, the annual Division of Revenue Act (DoRA) and any other applicable legislation.

Various recommendations as per sec 121(3)(j) of MFMA have been made during the financial year including those that have been recorded in the minutes of the Audit Committee.

3. The effectiveness of Internal Controls

The council's system of internal control was designed to provide cost effective assurance that assets are safeguarded and liabilities are managed. Working capital is judiciously used.

It is unfortunate that Risk Management has not received the attention it deserved in this financial year.

In accordance with the MFMA and King III Report on corporate governance requirements, internal audit should provide the audit committee and management with the assurance that the internal controls are appropriate and effective, however to achieve this a Risk Management process must be instituted and following from this the identified risks must be rated and the steps taken to mitigate these risks must be clearly identified. Corrective action(s) and suggested enhancements to the internal controls and process must then be implemented.

The contents of the audit report on the annual financial statement and the AG Management Letter had indicated that in certain instances non-compliance with prescribed policies and procedures, laws and regulations had occurred.

Furthermore, the number of recurring areas of weakness identified by the Internal Audit Unit and AGSA will continue to be monitored by the Audit Committee at every meeting where it appears on the agenda. Below are some of the critical issues which came to our attention through the Internal Audit and External Audit reports:

- Non-existence of Performance Management System resulting to non-monitoring of service delivery targets
- Lack of adequate Safeguarding of municipal assets resulted in Theft/losses and damages
- Lack of proper implementation of the SCM Policy which resulted in irregular/ fruitless and wasteful expenditure

- Inappropriate utilization of Grants e.g. MIG used for operational expenditure
- A Risk Management Unit was not established
- Payments not made within 30 days as required by legislation resulting in fruitless expenditure due to the fact that interest was charged
- Performance measurement not audited by Internal Audit due to limitation of scope resulting from non-submission of quarterly reports
- Lack of Proper Contract Management
- Incorrect disclosure or classification of financial transactions in the Annual Financial Statements

These factual findings are an indication that management is required to implement appropriate systems of internal control to address the identified weaknesses and possible irregularities. Significant control weaknesses have been reported by the AG in its management letter. Management should prepare a detailed plan to address the reported weakness and the implementation thereof should be monitored by the Internal Audit unit, National Treasury Official based at the municipality and the Audit Committee

4. Evaluation of Financial Statements

For the financial year 2010/11, the AFS were only submitted to the AGSA in January of 2012 and notwithstanding the fact that there were numerous errors in these financial statements which were highlighted by the committee. These statements were presented to the AGSA for auditing. Subsequently the Audit Committee did:

- Review the Auditor General's audit report and management letter and management response thereto.
- Reviewed, were, possible council compliance with legal and regulatory provisions.
- Reviewed Accounting policies and procedures

The committee also noted that the Annual Financial Statements for the 2011/12 had material errors and advised the municipality to revise the statements before submitting them to the Auditor General. Considering the 31st August deadline for submission, the municipality submitted the financial statements without the Audit Committee reviewing them against the approval of the Audit Committee.

Audit Committee also did not get a chance to review the management comments in the AGSA Draft Management Report before submission as the planned Audit Committee meeting was changed due to the workload of the finance team had to address all the issues raised in the draft management report.

5. Evaluations of the effective Internal Audit and internal control systems

5.1 Internal Audit Unit

The Internal audit process undertaken by the Thaba Chweu Municipality internal Audit unit provides oversight to obtain reasonable assurance regarding management assertions that objectives outlined in the IDP and SDBIP are achieved especially for effectiveness and efficiency of operation, reliability of financial information, and compliance with laws and regulation as well as the King III Report on Governance.

During the year under review, Internal Audit could not fully discharged its responsibilities due to the fact that quarterly performance reports were not compiled and therefore not submitted to Internal Audit for review resulting in a limitation of scope on their part. This happened, notwithstanding, regular reminders by the audit committee of the importance of this legislated requirement in terms Section 14(1)(c) of the Municipal Planning and Performance Management Regulations, 2001 which requires that: *A municipality's internal auditors must-*

- (i) *On a continuous basis audit the performance measurements of the municipality;*
- (ii) *Submit quarterly reports on their audits to the municipal manager and the performance audit committee.*

Except for these challenges, the Internal Audit Unit was effective in executing their legislated responsibilities though the municipality needs to capacitate and fully utilize this unit as it will greatly assist the Accounting Officer and Council in achieving their objectives

6. Fraud and Irregular activities

The audit committee was advised by the accounting officer that forensic audits were instituted by council in respect of two issues only during the year:

- Irregular/fraudulent transfer of funds from the municipality's account amounting to R3 200 000.00
- Unaccounted revenue of the electricity vending system amounting to R7 000 000.00 at an Engine Garage in Lydenburg, at year end these investigation were still ongoing

7. Performance Management System(PMS)

During the year under review this section of the municipality did not receive the attention it deserves and therefore no performance reports were submitted to the Audit Committee. Chapter 3, paragraph 8 of the Municipal Planning and Performance Management Regulations, 2001 stipulates that: *A performance management system must be adopted before or at the same time as the commencement by the municipality of the process of setting key performance indicators and targets in accordance with its integrated development plan.* The municipality did not establish and implement the Performance Management System as required by legislation and should this part not be attended to by management it will have a serious impact on the achievement of the set objective and assessment of senior manager's performance.

8. Enterprise Risk Management

During the year under review a risk workshop was held by the Department of CoGTA flowing from which the following documents were compiled:

- Risk Assessment Report
- Risk Registers

- Risk Management Strategy and
- Risk Management Policy

However risk management did not received the attention it deserves due to the fact that Risk Committee meetings were not held and management did not monitor the risks identified by the RRU Team resulting in the risk process being a fruitless exercise.

9. Conclusion and appreciation

The Audit Committee would like to take this opportunity to thank the Hon Executive Mayor(the late Cllr MM Marobela) for meeting with it during the year, it is however pleasing to note that since the appointment of the new Accounting Officer Mr. BS Koma regular inter-actions between him and the committee has occurred and furthermore since year end the newly elected Hon Executive Mayor Cllr BM Ncongwane has shown a keen interest in the workings of the committee and he and the MM have thrown their full weight behind the committee.

The Head of Internal Audit together with his team has done a sterling job with very limited resources and the committee therefore stresses the fact that co-sourcing should be implemented as a matter of urgently to enable the unit to operate effectively. We would also like to stress the importance of Risk Management in the municipality as it assists the municipality in identifying the things which might contribute to the organisation not achieving its set objectives and targets

It would be inappropriate for the audit committee not to thank the Hon Executive Mayor of Ehlanzeni District Municipality Cllr LN Shongwe and the Accounting officer of EDM Adv HM Mbatha for their support and financial assistance to TCM/Audit Committee.

I would also like to thank the members of the AC for the diligent way in which they carried out their duties.

Yours Faithfully


AC Keyser

Audit Committee Chairperson



THABA CHWEU MUNICIPALITY

RISK ASSESSMENT REPORT
FINANCIAL YEAR END 2011/2012

Contents	Page
1. INTRODUCTION AND BACKGROUND	1
1.1 Risk Management Process	1
1.2 Risk Assessment and Internal Audit	1
2. SCOPE AND OBJECTIVES	1
3. RESPONSIBILITY FOR RISK ASSESSMENT	2
4. RISK ASSESSMENT APPROACH	2
PHASE 1 – PROJECT PLANNING	2
PHASE 2 – DOCUMENTARY INFORMATION	3
PHASE 3 – RISK ASSESSMENT IDENTIFICATION AND EVALUATION	3
PHASE 4 – DRAFT THABA CHWEU RISK ASSESSMENT REPORT	4
PHASE 5 – PRESENTATION OF FINAL RISK ASSESSMENT OUTPUTS	4
5. THABA CHWEU STRATEGIC FOCUS AREAS	5
5.1 Detailed Strategic Risk Management Register	7
6. RISK ASSESSMENT TERMS AND METHODOLOGY	18
6.1 Risk Assessment Terminology	18
6.2 Risk Categories	19
6.3 Risk Rating Scales	19
6.4 Evaluation of Risk	22
7. WAY FORWARD AND RECOMMENDATIONS	23
7.1 Establishment of the Risk Management Process	233
7.2 Recommendations	233
8. CONCLUSION	24
9. RISK ASSESSMENT REPORT SIGN-OFF	24
Appendix A: Risk Registers: Operational Programmes	25
Appendix B: Risk Registers: Support Service Departments	96
Appendix C: Explanation of Abbreviations	121

1. INTRODUCTION AND BACKGROUND

Periodic risk assessment is critical to management, and is an integral part of an entity wide risk management process. The Treasury Regulations (TR) requires periodic risk assessment, whilst the King Report on corporate governance and best practice risk management stipulates that the entity wide risk assessment process should be affected on an annual basis.

COGTA requested the Rapid Response Unit (RRU) to facilitate the identification, evaluation and prioritization of significant risks within Thaba Chweu Municipality.

The need to conduct a risk assessment in Thaba Chweu Local Municipality was motivated principally by the following prescripts:

- Section 62(1)(c)(i) of the Municipal Finance Management Act, which requires that the Accounting Officer for a municipality must take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent system of financial and risk management and internal control.

1.1 Risk Management Process

The key responsibilities of Thaba Chweu Council and executive management in relation to the risk management process include the following:

- The development and implementation of an appropriate Thaba Chweu risk management framework, strategy and policy ; and
- The development of and implementation of an appropriate risk management structure and process.

As Thaba Chweu Municipality operates in a varied and changing environment, its exposure to related risks is significantly increased. Thaba Chweu's proactive management has made strides in accepting accountability and responsibility in creating and establishing effective risk management principles and structures to manage this exposure.

Thaba Chweu Municipality Risk Management Committee should provide periodic reports of the results of the risk management process to senior management and the Audit Committee. The corporate governance processes of the organization should provide periodic communication of key risks, and risk management strategies and controls to stakeholders.

1.2 Risk Assessment and Internal Audit

The internal audit should consider relevant strategic, business and operational risks and their significance, taking account of the risk appetite of the Thaba Chweu Council and senior management, as well as its own professional judgement.

The internal auditor must have an understanding of the risk assessment process, and the tools required to make the assessment. The results of the risk assessment process should be utilised as a basis for the determination of the key areas of internal audit focus, and in the development of the internal audit coverage plans.

2. SCOPE AND OBJECTIVES

The scope of this entity wide risk assessment process included the following areas:

- Strategic risk areas;
- Operational programmes; and
- Key support service departments.

The focus of this risk assessment process was the identification of strategic and significant operational, compliance, performance, financial, reputation and public image, and human capital risks within Thaba Chweu.

The key objectives of Thaba Chweu risk assessment process are set out below:

- Identification and prioritization of key risk arising from strategic, business and operational activities ;
- The evaluation and rating of identified risks;
- The identification, evaluation and rating of significant financial, operational and compliance risks within all Thaba Chweu programmes and support departments;
- The identification of risk mitigation strategies and controls to reduce risk exposure, and improve the management of significant and cross entity risks; and
- The generation of operational programme and departmental based risk registers.

Other objectives and benefits of this risk assessment process are indicated below:

- Promotion of awareness of risk management best practices;
- Establishment of a user friendly risk management database for transfer to the Thaba Chweu;
- The results of the risk assessment process may be used as important input in the design of new Thaba Chweu systems; and
- Risk assessment process facilitation skills transfer to the Thaba Chweu managers and staff.

3. RESPONSIBILITY FOR RISK ASSESSMENT

It is important to note that risk management is the responsibility of Thaba Chweu management. In order to fulfil this responsibility, COGTA has requested that the Rapid Response Unit (RRU) facilitate the identification, evaluation and prioritization of significant risks within Thaba Chweu. Consequently, it is necessary to understand that our responsibility, in this initiative is limited to the facilitation of the risk assessment process, whilst the ownership of the process rests with management.

The risk assessment will be used to highlight the high and moderate risk areas within Thaba Chweu Municipality and it will be used as a basis for the formulation of the relevant risk registers and the Internal Audit Coverage Plan.

Since the risk assessment process is meant to capture the risk environment of the entity at a point in time, this process should not be seen as static, but rather as a dynamic one which should be regularly updated by management with the assistance of the Thaba Chweu Risk Management Committee, and only if required, with the assistance of the internal audit.

4. RISK ASSESSMENT APPROACH

The phased approach was adopted in the execution of this Thaba Chweu risk assessment process. A summary of this approach is presented below:

PHASE 1 – PROJECT PLANNING

This phase included the following:

- Briefing meeting with Thaba Chweu senior management for the identification and agreement of the scope, objectives, approach and methodology of the risk assessment process;
- Agreement that the risk assessment process should include the identification of strategic and process or operational risks;
- Obtaining relevant Thaba Chweu information in order to enhance the level of understanding of the nature of its business, and its risk management strategy;
- Review of the draft Thaba Chweu Enterprise Wide Risk Management Strategy Framework which stipulates its risk management policy and framework; and
- Coordination of efforts with Thaba Chweu management in order to schedule the required risk assessment workshops.

PHASE 2 – DOCUMENTARY INFORMATION

The objective of this phase was the review of relevant Thaba Chweu information for the identification and assimilation of the following:

- Strategic objectives, and focus and functional areas;
- The key objectives of the various critical functional areas and processes;
- Entity wide risk management strategy; and
- Possible key risks and required measures of control for risk mitigation.

To achieve the aforementioned objectives, the following Thaba Chweu documents or information was reviewed:

- Final IDP 2011/2012; and
- Report of the Auditor-General for the financial year ended 30 June 2010.

PHASE 3 – RISK ASSESSMENT IDENTIFICATION AND EVALUATION

A workshop based approach was pursued in order to facilitate the identification and analysis of significant risks at a Thaba Chweu strategic level and within operational programmes or departments. A risk assessment workshop was held for each or business unit operational programme or support department within Thaba Chweu. These workshops were attended by persons who represented the management and senior staff within each Thaba Chweu department of operational programme. These workshops were held in June 2011 and July 2011. The key departmental and operational programme objectives were discussed, identified and agreed during these risk assessment workshops.

The Thaba Chweu strategic level workshop was held on 05th July 2011 to the 06th July 2011, and was attended by the following representatives from senior management:

No	Name	Designation	Functional area
1.	Billy Ralebipi	Municipal Manager	Municipal Manager
2.	Thabo Moojela	Senior Manager Technical Services	Technical Services
3.	Fanus Van Eck	Deputy Manager Social Development Services	Social Development Services
4.	Mxolisi Mkhonto	IDP Manager	Municipal Manager
5.	Cinderella Cave	LED Practitioner	Municipal Manager
6.	Puleng Mapheto	Communication Officer	Municipal Manager
7.	Peter Mlangeni	Acting Senior Manager Corporate Services	Corporate Services
8.	John Roos	CTO	Social Development Services
9.	Nsizwa Nyundu	Internal Audit Manager	Municipal Manager
10.	A J vd Berg	Revenue Manager	Finance Department
11.	Chris Mashigo	Acting Human Resource Manager	Corporate Services
12.	Ganon Nhubunga	PMU Manager	Technical Services
13.	Bukiwe Ngwenya	Risk Management- RRU	Rapid Response Unit
14.	Koena Cholo	Risk Management- RRU	Rapid Response Unit
15.	Ayanda Mbanga	Risk Management- RRU	Rapid Response Unit

The objectives of this phase of the process are set out below:

- Identification of significant strategic, departmental, and operational programme risks, and the linkage of identified risks to relevant key objectives;
- Consideration and evaluation of risk impact and likelihood ratings per risk identified;
- The identification of risk mitigation strategies and controls to reduce risk exposure, and improve the management of significant and cross entity risks;
- Consideration of any additional risks where necessary;
- Consideration of the current control strategies per risk where not already considered;
- The generation of the strategic, business unit and departmental level risk registers.

The risk evaluation and ratings were performed against pre-established criteria as defined in **Section 6** of this report.

The risk assessment registers were then updated with all relevant inputs from this phase.

PHASE 4 – DRAFT THABA CHWEU RISK ASSESSMENT REPORT

The draft risk assessment report was submitted to the Municipal Manager and the Manager Internal Audit for further consideration and comments. The MM and Manager Internal Audit have indicated their satisfaction with the risk assessment report which has emanated from this risk assessment process.

PHASE 5 – PRESENTATION OF FINAL RISK ASSESSMENT OUTPUTS

The outputs of phases 1 to 4 of the Thaba Chweu risk assessment process are reflected within the Final Thaba Chweu Risk Assessment Report, and include the following:

- Strategic risk register;
- Detail risk registers per operational programme and department.

The Final Risk Assessment Report is then presented to Thaba Chweu Audit Committee for adoption and approval.

5. THABA CHWEU STRATEGIC FOCUS AREAS

The strategic risk assessment process was based on the current Thaba Chweu organisational structure and strategic objectives contained within the IDP for the period June 2011 to July 2012. The vision, mission and strategic objectives are set out below:

Vision

The tourism home to the scenic wonders of Africa.

Mission

To provide tourism based developmental local government through the rendering of-

- World class quality service
- Socio-economic development
- A safe and healthy environment
- Tourism enhancement

Strategic Objectives

1. To provide access to basic services.

Thaba Chweu Municipality will provide basic services to all community members regarding housing, potable water, sanitation water removal, electricity, and a safe and healthy environment.

2. Local Economic Development (LED)

Thaba Chweu Municipality will develop and implement a LED strategy that will create jobs, reduce unemployment and inequalities whilst growing the economy of the municipal region.

3. Responsive Local government

Responsive, effective, efficient local government system.

4. Maintenance and refurbishment of assets and infrastructure

Effective maintenance and refurbishment of assets & infrastructure.

5. To ensure sound corporate governance.

Improve stakeholder relations through engagements, public meetings, communication, plus a complaints & queries system.

6. Increase revenues

Implement a strategy to increase the revenue base for the municipality to fund increased service delivery, including rates and service charges, grants and subsidies donor funding, expense controls, value for money.

7. Sustainable natural resource management

Effectively manage the sustainable of natural resources of the municipality, i.e. land, water, minerals, fauna & flora, taking cognizance of climate change challenges.

**THABA CHWEU LOCAL MUNICIPALITY
RISK ASSESSMENT REPORT
2011/12**

5.1 Detailed Strategic Risk Management Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
1	1,3,7, 9	Lack of revenue / funds to implement identified projects as per IDP.	5	5	25	#Approved IDP #Approved budget #Draft SDBIP #Tariff Policy #Debt Collection and Credit Control Policy #Indigent Policy	4	5	20	Minimise/ Transfer/ Transfer/	#Appointment of the MM and Section 57 Managers. #Develop a Revenue Raising Strategy. #Approval of the Revenue Raising Strategy by Council. #Implementation of the Revenue Raising Strategy.	01/08/2011 01/11/2011 28/02/2012 01/07/2012	Council, Municipal Manager, Section 57 Managers, Managers,
2	1,2,3, 8,9	Shortage of skilled human capital to implement the IDP projects.	5	5	25	#Work Place Skills Plan #Employment Equity Plan #Outdated HR Strategy #Approved Organogram	4	4	16	Minimise/ Transfer/	#Implementation of the Work Place Skills Plan. #Implementation of the EE Plan. #Review and update the organogram in line with the IDP. #Review, update and implement the HR Strategy.	01/07/2011 - 30/06/2012 01/11/2011- 30/09/2012 01/08/2011- 31/01/2012 01/08/2011- 31/01/2012	Council, Municipal Manager, Section 57 Managers, Managers,
3	1,2,3, 4,5,9	Lack of cooperation between Departments on implementation of approved policies.	5	5	25	#MANCO meetings #Draft Communication Strategy.	4	5	20	Minimise / Transfer	#Implementation of MANCO resolutions. #Approval of the Communication Strategy by Council.	Ongoing 01/11/2011	Council, Municipal Manager, Section 57 Managers,

THABA CHWEU LOCAL MUNICIPALITY
RISK ASSESSMENT REPORT
2011/12

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
											#Implementation of the Communication and Marketing Strategy.	15/01/2012	Managers
4	1,3,9	Lack of staff commitment due to low morale which may impact negatively on service delivery.	5	5	25	#MANCO meetings #Draft Communication Strategy.	4	5	20	Minimise / Transfer	#Develop an Employee Assistance Programme (EAP). #Approval of the EAP by Council. #Teambuilding exercises. #Departmental management meetings once a month. #MANCO meetings should discuss departmental challenges.	01/10/2011 01/11/2011 Ongoing 01/08/2011 Ongoing	Council, Municipal Manager, Section 57 Managers, Managers,

THABA CHWEU LOCAL MUNICIPALITY
RISK ASSESSMENT REPORT
2011/12

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
5	1,2,3,6,7,9	Ageing infrastructure failure due to lack of upgrade and maintenance.	5	5	25	#Operational and maintenance plan under review. #Fleet Management Policy	4	5	20	Minimise / Transfer	#Approval of the Operational and Maintenance Plan by Council. #Replace fleet in order to Implement the Fleet order to Implement the Fleet Management Policy. #Source funding to upgrade the existing infrastructure. (Develop a business plan potential funders or donors).	30/09/2011 2012/2013 01/12/2011	Council, Municipal Manager, CFO Senior Manager Technical Services, Fleet Manager
6	1,2,3,9	Inappropriate placement of staff members may impact negatively on service delivery.	4	4	16	#Recruitment Policy. #HR Standard Operating Procedure Manual	3	4	12	Minimise / Transfer	#Proper implementation of the Standard operating Procedure Manual. #Follow up with the National Office (COGTA) on the results of conducted Skills Audit.	Ongoing 31/08/2011	Municipal Manager, Section 57 Managers, HR Manager
7	1,3,6,9	Inappropriate intergovernmental relations may impact negatively on service delivery.	4	4	16	#Draft Communication Strategy #Local IDP forum #District IDP forum	3	4	12	Minimise / Transfer	#Approval of the Communication Strategy by Council. #Council to address intergovernmental relations.	01/11/2011 Ongoing	Council, Municipal Manager, Section 57 Managers, IDP Manager

**THABA CHWEU LOCAL MUNICIPALITY
RISK ASSESSMENT REPORT
2011/12**

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
8	1,3,7,9	Ineffective infrastructure and town planning resulting to poor service delivery.	4	5	20	#Spatial development Framework (SDF) under review. #Geographical Information Service (GIS) shared service.	3	5	15	Minimise / Transfer	#Approval of SDF by council #Appointment of GIS technician.	30/09/2011 31/10/2011	Council, Municipal Manager SM Technical Services Town Planner
9	1,3,9	Lack of proper institutional arrangements resulting to non implementation of the LED strategy.	4	5	20	#LED strategy under review	3	5	15	Minimise / Transfer	#Finalisation of the LED Strategy review process. #Approval of LED strategy by Council.	30/09/2011 01/11/2011	Council, Municipal Manager, IDP Manager LED Practitioner
10	1,3,8,9	Lack of integrated approach to respond to key economic drivers.(e.g. forestry, tourism ,agriculture and mining)	5	5	25	#LED Strategy under review. #Approved Tourism Strategy. #Interim Board of Thaba Chweu Local Economic Development Agency (THALEDA).	4	5	20	Minimise / Transfer	#Finalisation of the LED Strategy review process. #Approval of LED strategy by Council. #Review and update the implementation plan of the Tourism Strategy. #Approval of the implementation plan of the Tourism Strategy by Council. #Revival of the Thaba Chweu Local Economic	30/09/2011 01/11/2011 28/02/2012 01/03/2012 31/08/2011	Council, Municipal Manager, IDP Manager LED Practitioner CEO THALEDA

**THABA CHWEU LOCAL MUNICIPALITY
RISK ASSESSMENT REPORT
2011/12**

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
											Development Agency		
11	1,3,9	Inadequate systems and process in responding to the needs of the community.	4	5	20	#Public Liaison Officers (Presidential Hotline) #Community Liaison Officers #Complaints Register	3	5	15	Minimise/ Transfer	#Develop a Public Participation Strategy. #Approval of the Public Participation Strategy by Council.	30/09/2011 01/11/2011	Council, Municipal Manager, Office of the Speaker, IDP Manager,
12	1,2,3, 5,7,9	Incorrect utilisation of funds resulting to non compliance to legislations e.g MFMA, DORA.	5	5	25	#Tariff Policy #Debt Collection and Credit Control Policy. #Indigent Policy	5	5	25	Minimise / Transfer	#Implementation of the Tariff policy, Debt Collection policy, and Credit Control Policy and Indigent Policy. #The Municipality should consider opening a separate bank account for grants in order to fast track the Implementation of identified projects. #The Municipality should prohibit any transfers from the grants account to the primary account.	Ongoing 28/02/2012 Ongoing	Municipal Manager, Section 57 Managers, Managers

**THABA CHWEU LOCAL MUNICIPALITY
RISK ASSESSMENT REPORT
2011/12**

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
13	1,2,3, 4,5,7, 9	Absence of the Asset Management Unit resulting to improper management of assets.	5	5	25	#Fixed Asset Policy was approved in 2005.	5	5	25		#Appointment of the Fixed Asset Officials. #Establishment of the Fixed Asset Unit as part of the SCM Division. #Review and update the Fixed Asset Policy. #Approval of the Fixed Asset Policy.	2012/2013 2012/2013 2012/2013 2012/2013	Municipal Manager, CFO, Senior Manager Corporate Services, HR Managers
14	1,3,9	Inadequate and ineffective communication both internally and externally resulting to poor or uninformed decision making. #Lack of feedback mechanisms. #No handover process in place	4	5	20	#Communication and Marketing Strategy and Communication Policy. #Batho Pele Principles	3	5	15	Minimise / Transfer	#Review and Update Communication and Marketing Strategy and Communication Policy. #Approval of the Communication and Marketing Strategy by Council. #The Communication Official should attend MANCO meetings. #The Communication Division should be allocated to the Corporate Service Unit.	01/11/2011 01/09/2011 01/09/2011 31/01/2012	Council, Municipal Manager, Sec 57 Managers, Communication Manager,

THABA CHWEU LOCAL MUNICIPALITY
RISK ASSESSMENT REPORT
2011/12

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
15	1,3,5, 9	Lack of public confidence in the Municipality's performance resulting in poor participation in the affairs of the Municipality.	4	5	20	#Draft Communication Strategy and Marketing Strategy. ##Public Liaison Officers (Presidential Hotline) #Community Liaison Officers #Complaints Register	3	5	15	Minimise / Transfer	#Approval of the Communication and Marketing Strategy by Council. #Develop a Public Participation Strategy. #Approval of the Public Participation Strategy by Council. #Establishment of the Complaints Management Committee.	01/11/2011 31/10/2011 28/02/2011 31/10/2011	Council, Municipal Manager, Sec 57 Managers, Communica- tion Manager, Office of the Speaker
16	1,2,3, 7,9	Lack of Revenue Enhancement Strategy resulting in insufficient collection of revenue.	5	5	25	#Tariff Policy #Debt Collection and Credit Control Policy #Indigent Policy #Municipal System Improvement Grant #Donors and Funders #Municipal Property Rates Act (Valuation Roll)	4	5	20	Minimise / Transfer	#Implementation of Revenue Management Policies. #Develop a comprehensive Revenue Enhancement Strategy. #Approval of the comprehensive Revenue Enhancement Strategy.	Ongoing 30/10/2011 15/11/2011	Council, Municipal Manager, Sec 57 Managers, Managers,

THABA CHWEU LOCAL MUNICIPALITY
RISK ASSESSMENT REPORT
2011/12

Risk	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
17	1,2,3,4,5,7,9	Late payments of suppliers may result to non compliance to legislations / regulations and unwillingness to provide goods and services to the Municipality.	5	5	25	#SCM Policy under review. #Draft SCM procedure Manual #PPPFA #MFMA #Treasury Regulations	4	5	20	Minimise / Transfer	#Review and update SCM Policy. #Approval of the SCM Policy. #Constant monitoring of applicable legislations and regulations. #Legal should develop a compliance framework.	30/09/2011 01/11/2011 Ongoing 31/10/2011	Council, Municipal Manager, Sec 57 Managers, Managers,
18	1,3,9	Lack of natural resource management plan resulting to loss of revenue.	4	4	16	#LED Strategy under review. #Approved Tourism Strategy. #THALEDA	4	4	16	Minimise / Transfer	#Finalisation of the LED Strategy review process. #Approval of LED strategy by Council. #Review and update the implementation plan of the Tourism Strategy. #Approval of the implementation plan of the Tourism Strategy by Council. #Revival of the Thaba Chweu Local Economic Development Agency (THALEDA).	30/09/2011 01/11/2011 28/02/2012 01/03/2012 31/08/2011	Council, Municipal Manager, IDP Manager LED Practitioner CEO THALEDA

**THABA CHWEU LOCAL MUNICIPALITY
RISK ASSESSMENT REPORT
2011/12**

Risk	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
19	1,3,7, 9	Lack of marketing to enhance local investments.	5	5	25	#LED Strategy under review. #Approved Tourism Strategy. #THALEDA	5	5	25	Minimise / Transfer	#Finalisation of the LED Strategy review process. #Approval of LED strategy by Council. #Review and update the implementation plan of the Tourism Strategy. #Approval of the implementation plan of the Tourism Strategy by Council. #Revival of the Thaba Chweu Local Economic Development Agency (THALEDA).	30/09/2011 01/11/2011 28/02/2012 01/03/2012 31/08/2011	Council, Municipal Manager, IDP Manager LED Practitioner CEO THALEDA
20	1,2,3, 5,9	Inadequate governance structures resulting to poor planning and coordination.	4	5	20	#Council #Currently utilising the District Audit Committee. #IDP Forum #Multi Agency Mechanism (MAM).	3	5	15		#Establishment of the following committees: -Risk Committee -ICT Committee -Finance Committee -Budget Committee -LED Forum -Ward Committees	30/09/2011	Municipal Manager, Sec 57 Managers,

**THABA CHWEU LOCAL MUNICIPALITY
RISK ASSESSMENT REPORT
2011/12**

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
21	1,2,3, 4,5,6, 7,9	Lack of performance management system may impact negatively on service delivery and results to irregular expenditure.	5	5	25	#Draft SDBIP #Outdated Performance Management Framework.	4	5	20	Minimise / Transfer	#Approval of the SDBIP by Council. #Review and update a Performance Management Framework. #Approval of the Performance Management Framework. #Develop performance contracts for Sec 57 Managers.	31/07/2011 31/01/2012 28/02/2012 30/09/2011	Council, Municipal Manager, Sec 57 Managers, IDP Manager,
22	1,2,3, 4,5,9	Non implementation of Council resolutions.	4	4	16	#Portfolio committees	3	4	12	Minimise / Transfer	#Develop a Council Resolution register. #Constant monitoring of Council Resolution by Corporate Services.	31/08/2011 Ongoing 30/09/2011 Ongoing	Municipal Manager, Sec 57 Managers, Deputy Director Corporate Services
23	1,2,3, 4,5,8, 9	Disclaimer reports may impact negatively on the reputation of the Municipality.	5	5	25	#MANCO meetings	5	5	25	Minimise / Transfer	#Internal Audit will follow up on the AG audit findings. #Constant monitoring of applicable legislations and regulations. #Legal should develop a compliance framework.	Ongoing Ongoing 30/09/2011	Municipal Manager, Sec 57 Managers, Internal Audit Manager, Legal Manager,

**THABA CHWEU LOCAL MUNICIPALITY
RISK ASSESSMENT REPORT
2011/12**

Risk			Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
24	1,2,3, 4,5,7, 9	Possibility of fraud and mismanagement of funds due to lack of internal controls may result to negative audit reports.	5	5	25	#All approved Municipal policies. #MFMA #Treasury Regulations	4	5	20	Minimise / Transfer	#Implementation of all approved Municipal policies. #Development of procedure manuals by relevant Departments. #Constant monitoring of applicable legislations and regulations. #Legal should develop a compliance framework. #Internal Audit	Ongoing 2012/2013 Ongoing 30/09/2011 Ongoing	Municipal Manager, Sec 57 Managers, Internal Audit Manager, Legal Manager,
25	1,2,3, 4,9	Absence of backup system (including offsite server) resulting to loss of Municipal business information due to viruses or computer crush. Lack of centralised server for the whole Municipality may result to loss of information. (mainframe)	5	5	25	# ICT Service provider servers. # For finance systems currently utilising the Municipality server.	4	5	20	Minimise / Transfer	#Reinstall the ADSL line router with SEBATA for the offsite backups. # ICT service provider to install the backup server (offsite Server) at the Disaster Centre to cater for all Municipal information. (Including Graskop and Sabie). #Appointment of the ICT Manager.	31/07/2011 31/08/2011 2012/2013	Municipal Manager, Sec 57 Managers, ICT Service Provider, Legal Manager,

6. RISK ASSESSMENT TERMS AND METHODOLOGY

6.1 Risk Assessment Terminology

The following risk assessment terms and related definitions were applied during the risk assessment process to create a standard platform of understanding amongst all respondents within Thaba Chweu. The outputs of the risk assessment process e.g. risk registers and the detail risk document should be read in conjunction with the following definitions:

RISK

A risk is the possibility of an event happening or not happening that will have an impact upon the key objectives of **Thaba Chweu**. Risk is measured in terms of probability and impact. Risk may also be defined as the level of exposure to uncertainties that an entity must understand and effectively manage in order to meet its objectives and create and maintain value for its stakeholders.

CONTROL STRATEGY

A control strategy is defined as an overall control mechanism and process, and related policies and procedures developed, implemented and communicated to all staff to ensure the achievement of **Thaba Chweu** and related departmental or departmental objectives.

In the context of the current risk assessment, we refer essentially to the following control strategies when dealing with the risk.

Risk Control

Broadly aim to identify the controls which give effect to the following:

- Prevent losses from occurring; minimize the magnitude of losses, should the event occur within **Thaba Chweu**;
- Deal (physically) with the event while it is occurring, in an attempt to recover from the loss with the least possible economic consequence.

Risk Financing

All types of provision made by **Thaba Chweu** for access to financial resources (self funding/insurance) in order to finance or fund losses, should they occur.

RISK IMPACT

Risk impact or consequence is defined as the effect that the occurrence or non-occurrence of the risk might have on the business of **Thaba Chweu**. Concretely, it is defined as the maximum foreseeable loss or risk exposure possible from a single or a combination of risk. The interpretation of "consequence" is associated with quantitative and qualitative aspect when evaluating the risk.

RISK LIKELIHOOD

Risk likelihood is defined as the frequency of risk identified occurring within an operational area of **Thaba Chweu**.

INHERENT OR ABSOLUTE RISK

Absolute risk is defined as the level of absolute uncontrolled risk exposure taking cognisance of the nature of the risk. It represents the maximum possible loss which could occur in the absence of adequate and effective control strategies within **Thaba Chweu**. This assessment is determined by the value given to the Evaluation of Risk Impact measure multiplied by the value given to the Evaluation of Risk Likelihood measure.

RESIDUAL OR CONTROL RISK LEVEL

Control risk level is defined as the level of risk exposure after considering the effect of any control strategy in place to manage the risk as identified currently within the business of **Thaba Chweu**.

It is the predominant factor, which is taken into consideration during the compilation of the Risk Register Action Plan. It is also taken into consideration in the Internal Audit Coverage Plan.

RISK TREATMENT

The risk treatment is defined as the main techniques of risk control within the business environment of the **Thaba Chweu**.

- **Transfer**
Transferring the consequence of the loss, should it occur, onto some other party.
- **Tolerance**
Accepting the level of risk exposure and consequence of the risk should it occur.
- **Terminate**
Not engaging in activities that may result in loss or risk exposure.
- **Minimise**
Reduction of risk exposure by implementation of effective control mechanism or strategy.

RISK OWNER

Designated manager or executive within Thaba Chweu taking the accountability or responsibility for the effective management of the risk e.g. Senior Managers of division or department.

RATING OR QUANTIFICATION OF RISK EXPOSURE

Rating of risk entails quantification of each identified risk by determining its possible impact and likelihood within the business of **Thaba Chweu**. This is determined by the application of the risk impact and likelihood rating scales as set out in **section 6.3** of this document.

6.2 Risk Categories

The various risk categories applicable to Thaba Chweu as identified and defined within its existing Risk Management Strategy Framework is set out below:

No	Risk Category	Explanation of Risk Category
1.	Strategic Risk	Risks arising from policy decisions or major decisions affecting Thaba Chweu priorities, goals and objectives; mandates; risks arising from decisions or priorities
2.	Regulatory and/or Compliance Risk	Risk of failing to comply with relevant legislation e.g. MFMA, Municipal System's Act, Municipal Structures Act, and Treasury Regulations and other applicable legislation.
3.	Operational Risk	Risk of direct or indirect losses resulting from inadequate systems or process or methodologies, management responsibility failure, inadequate or inappropriate controls, fraud, and/or human errors.
4.	Legal Risk	Risk of potential financial loss or reputation damage caused as a result of failure to protect vested rights or obligations or abide by legal obligations and/or requirements.
5.	Corporate Governance Risk	Risks arising from failure to implement regulatory and/or best practice corporate governance processes such as the MFMA, Treasury Regulations, and Protocol on Corporate Governance in the Local Government Sector. Corporate governance is defined as a system by which Thaba Chweu is directed and controlled.
6.	Project Risk	Risk of exceeding budgets or projects or not meeting key objectives, timeframes or agreed outputs.
7.	Liquidity Risk	Risk that Thaba Chweu may have insufficient funds available to timeously fulfil their cash flow obligations at a cost effective rate.
8.	Human Capital or Intellectual Capital Risk	Risk that Thaba Chweu failing to meet its mandate and/or objectives due to lack of critical skills capacity or retain acquired intellectual capital.
9.	Reputation Risk	Risk of damaging or impairing Thaba Chweu's image by stakeholders, government, Minister, Council, Municipal Manager, Management and/or employees due to an action, non action, and/or inappropriate action with negative implications.

6.3 Risk Rating Scales

The scales applied for the evaluation of risk likelihood and risk impact are set out below:

RISK LIKELIHOOD

Likelihood is defined as the frequency of a risk occurring within an activity or areas of Thaba Chweu. The following table provides the illustration of the risk likelihood scale applied:

Rating	Qualitative Risk Likelihood Scales as per THABA CHWEUEWRM Strategy Framework
5 Almost certain	Is currently occurring within the Thaba Chweu or expected to occur in future.
4 Likely:	Will probably occur in most circumstances within the Thaba Chweu.
3 Possible	May occur at some time in the future in the Thaba Chweu.
2 Unlikely	Is not expected to occur or have a material implication on the Thaba Chweu.
1 Rare	May occur in exceptional circumstances with immaterial implication on the Thaba Chweu.

THABA CHWEU LOCAL MUNICIPALITY
RISK ASSESSMENT REPORT
2011/12

RISK IMPACT

The following table provides the illustration of the risk impact scale and the relevant quantitative and qualitative criteria applied:

Rating	Financial Impact	Health and Safety	Reputation and Public Image	Performance Management	Environment and Community	Human Capital Management
5 Extreme High	Direct loss or opportunity cost of > R8M value	Multiple fatalities of staff, contractors or public	<ul style="list-style-type: none"> Adverse global media coverage Parliamentary enquiry Major public concerns raised Major loss of stakeholder support 	<ul style="list-style-type: none"> Major milestone or deadline missed by > 1 year Major adverse quality issue Failure to achieve performance goals 	<ul style="list-style-type: none"> Catastrophic irreversible environmental harm Community outrage, potential large scale mass action 	A large number of key executives or directors are lost to the Thaba Chweu.
4 Major	Direct loss or opportunity cost of R 4M to R8M value	Serious health impact on multiple members of staff, contractors or public	<ul style="list-style-type: none"> Adverse national media coverage Significant decrease in stakeholder support 	<ul style="list-style-type: none"> Major milestone or deadline missed by 6-12 months Failure to achieve some performance targets 	<ul style="list-style-type: none"> Major environmental harm caused – long term recovery High profile community concerns raised – requiring significant rectification 	<ul style="list-style-type: none"> Some key executives are lost to the company Thaba Chweu not perceived as employer of choice
3 Medium/moderate	Direct loss or opportunity cost of R1M to R4M value	Single fatality of staff, contractors or public	<ul style="list-style-type: none"> Adverse local media coverage Concerns on Thaba Chweu performance raised by stakeholders 	<ul style="list-style-type: none"> Major milestone or deadline missed by 3-6 months Some reduction in performance 	<ul style="list-style-type: none"> Measurable environmental harm caused - medium term recovery Community complaints voiced privately 	<ul style="list-style-type: none"> Poor reputation as an employer A key employee leaves High staff turnover
2 Minor	Direct loss or opportunity cost of R500K to R1M value	Serious health impact on one person	<ul style="list-style-type: none"> Intra-industry knowledge of incident, but no media attention Marginal decrease in stakeholder support 	<ul style="list-style-type: none"> Major milestone or deadline missed by 1-3 months Minor performance degradation 	<ul style="list-style-type: none"> Medium term, immaterial effect on environment. 	<ul style="list-style-type: none"> General staff morale problems
1 Negligible/insignificant	Direct loss or opportunity cost of < R500K value	Transient health impact on multiple members of staff, contractors or public	<ul style="list-style-type: none"> Reputation intact Minimal impact on stakeholder support 	<ul style="list-style-type: none"> Major milestone missed by 1 month Negligible performance impact 	<ul style="list-style-type: none"> Short term transient impact on environment or community – negligible action required 	<ul style="list-style-type: none"> Negligible impact on employee morale and turnover

6.4 Evaluation of Risk

Evaluation of risk entails the combination of risk rating as determined above: Rating given to the risk impact multiplied by rating given to risk probability or likelihood. The following risk dashboard illustrates the possible combinations derived from different risk ratings:

Probability	Almost certain	M	H	E	E	E
	Likely	L	M	H	E	E
	Possible	L	M	M	H	E
	Unlikely	L	L	M	M	H
	Rare	L	L	L	L	M
		Insignificant	Minor	Moderate	Major	Catastrophic
		Impact				

The interpretation of the various risk exposure levels derived from the various risk ratings as reflected above, and consistent with the Thaba Chweu EWRM Strategy Framework is set out in the table below:

Risk Exposure Level	Risk Exposure Rating	Explanation of Risk Management Approach
1 to 5	Low	Manage by routine polices and operational procedures of the Thaba Chweu.
6 to 9	Medium	Manage by management intervention and policies and procedures of the Thaba Chweu.
10 to 12	High	Management and intervention (where appropriate) by Thaba Chweu executive management.
13 to 25	Extreme	Manage by executive management and responsible for intervention, with regular reporting on the progress of results as well as performance to the Council of the Thaba Chweu.

7. WAY FORWARD AND RECOMMENDATIONS

7.1 Establishment of the Risk Management Process

The entity wide Thaba Chweu Draft Risk Management Strategy Framework (RMSF) has been developed, and should be implemented as soon as possible within the financial commencing July 2011. This strategy framework defines the structure and process for the continuous evaluation of the risk management process. The key components of this Thaba Chweu strategy and approach include the following:

- Periodic risk identification;
- Risk evaluation and assessment;
- Criteria to be used for risk assessment process;
- Risk mitigation strategies;
- Risk monitoring and reporting throughout the risk management process including timelines and measurability;
- Link to the Thaba Chweu performance management system; and
- Roles and responsibilities for the risk management process.

Refer to section 7.2 for recommendations that will assist the Thaba Chweu in the full implementation of this strategy.

7.2 Recommendations

7.2.1 Risk Awareness and Skilled Human Resources

Risk awareness is a key component for the determination of appropriate actions to mitigate risks. Ongoing communication and monitoring of significant risks or threats to the achievement of key Thaba Chweu objectives, together with business and task-orientated skills training, are essential components of risk mitigation measures.

The following risk management recommendations, if adequately implemented will improve the quality and effectiveness of the risk management strategy and related process:

- Promotion of risk awareness throughout Thaba Chweu i.e. stakeholders, management and staff.
- Ensure management encourage and maintain a "risk awareness culture" within the entity; and
- Ensure appropriately skilled resources are made available to manage significant risks to the required standard; and
- Where appropriate, provide appropriate employee training regarding regulatory and core service delivery requirements.

Executive management and the Risk Committee should co-ordinate and promote Thaba Chweu risk management strategy framework. This will facilitate a general commitment from Thaba Chweu operational programmes and key support service departments to the risk management process. The success of the risk management process will depend on the extent to which management and staff embraces this process and contribute towards the achievement of Thaba Chweu strategic, operational, compliance and financial objectives.

7.2.2 Action Plan Details and Risk Monitoring

The current risk assessment process has identified and prioritized risks that may prevent Thaba Chweu from achieving its objectives, including recommendations or action plans, defined at a high level, that are required in order to improve the management of the various risks identified within this risk assessment process. The next step, and suggested approach, should be for management and the Risk Management Committee to implement and co-ordinate the following:

- A process where management "unpacks" the high level recommendations or action plans into detailed action or project plans, which should, inter alia, be linked to responsible persons, budgetary requirements, project milestones and timeframes, as may be appropriate.

- Prioritize the key opportunities, which have been identified and develop appropriate action plans to exploit them.
- Assess and obtain an adequate understanding of the reporting measurements which should be in place to manage keys risks identified, and address any gaps in this regard.
- Regular follow –up and monitoring of the required detailed action or project plans.
- Due to the volume of Thaba Chweu risk data and information, and the need to ensure a consistent approach to a fairly complex process, and because of the difficulty in presenting meaningful, comprehensive and summarized reports, it is preferable to use a specific risk management and control software technology solution. We therefore propose that Thaba Chweu should consider risk management software that will assist in adequate and effective management of the various risk registers.

Risk management should also be included as standard agenda item at all monthly Thaba Chweu Executive Committee meetings.

Thaba Chweu Risk Management Strategy Framework (RMSF) is intended to be an ongoing governance process within Thaba Chweu. It is important that Thaba Chweu maintain a process and infrastructure that will facilitate this crucial process.

8. CONCLUSION

Thaba Chweu has initiated the RMSF, and implemented processes which will contribute to establishing a sound risk management and governance environment within the entity.

The full Implementation of the RMSF will certainly add credibility to the commitment of the Risk Management Committee, executive management, and the Audit Committee towards embedding the risk management process within Thaba Chweu.

9. RISK ASSESSMENT REPORT SIGN-OFF

Bridget Mohlala
Assistant Director
Rapid Response Unit (RRU)

Appendix A: Risk Registers: Operational Programmes

1. Office of the Municipal Manager Risk Registers

1.1 Independent Development Programme (IDP) Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,3,6,9	Non alignment of the organisational Structure to the IDP.	5	5	25	Draft Organisational Structure which is aligned to the IDP.	4	5	20	Minimise/ Transfer	#Submission of the Organisational Structure. #Approval of the Draft Organisational Structure by the Council. #To ensure that the organisational structure is aligned to the IDP.	31/07/2011 2012/2013	Council, Municipal Manager, Senior Manager Corporate Services, IDP Manager
2	1,3,4,8,9	Changes of political leadership as well as Senior Managers resulting to delays in approving the IDP.	5	5	25	#Engagement with SALGA #Induction for Councilors in terms of applicable laws that governs the Municipality.	3	4	12	Minimise/ Transfer	# Internal induction for Councilors should be done quarterly. #Establish Ward Committees.	05/06/2011 31/07/2011	IDP Manager, Municipal Manager, Senior Managers
3	1,2,3,5,9	Lack of sector plans resulting to an IDP not credible.	4	5	20	#Outdated LED Strategy #Outdated Tourism Strategy #Outdated Spatial Development Framework. #Outdated HIV/Aids Strategy #Outdated Youth Development Policy	3	5	15	Minimise/ Transfer	#Source funding and develop the following Sector Plans: -Comprehensive Infrastructure Plan -Integrated Transport Plan -Public Participation Strategy. Revenue Raising Strategy -Environmental Management Plan -Youth Development Strategy #Review and update Spatial Development Framework. #Review and update	31/07/2011 30/09/2011 30/10/2011	Council, Speaker, Municipal Manager, Senior Manager Technical Services, IDP Manager

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
											HIV/Aids Strategy. #Disaster Management Plan.		
4	1,3,8	Lack of human capital in the IDP Division resulting to the Division not achieving its objectives.	4	5	20	#Proposed Organogram	3	5	15	Minimise/ Transfer	#Approval of the proposed Organogram. #Appointment of the IDP Coordinator and Clerk.	30/09/2011 2012/2013	Council, Municipal Manager, Senior Manager Corporate Services, IDP Manager
5	1,3,8, 9	No handover process in place in the IDP Division. (Succession Plan)	4	5	20	No controls in place.	4	5	20	Transfer	#Develop Succession plan. (Handover process) #Approval of the Succession Plan.	30/09/2011 28/02/2012	Council, Municipal Manager, Senior Manager Corporate Services,
6	1,2,3, 6,7,9	Lack of funds to implement the projects in the IDP.	5	5	25	MIG Funds	4	5	20	Minimise/ Transfer	#Develop a Revenue Raising Strategy. #Approval of the Revenue Raising Strategy.	30/09/2011 01/11/2011	Council, Municipal Manager, CFO, Sec 57 Managers, IDP Manager,
7	1,3,6, 9	Lack of community involvement by the Municipality which may have impact in IDP planning process.	4	5	20	#CLO (Community Liaison Officers) #CDW (Community Development Workers)	3	4	12	Minimise/ Transfer	#Source funding to develop the Public Participation Strategy. #Revive Ward Committees #Approval of the Public Participation Strategy.	30/09/2011 31/07/2011 28/02/2012	Council, Municipal Manager, Mayor Speaker, IDP Manager,

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
8	1,3,6, 9	Lack of stakeholder's participation (meetings) may not be organized during the drafting of IDP and Budget].	4	4	16	Uncoordinated meetings for stakeholders by all Departments.	3	4	12	Minimise/ Transfer	#Coordination of stakeholder consultation should be centralised in the Speakers Office.	01/07/2011	Municipal Manager, Mayor Speaker, IDP Manager,
9	2,3,9	Composition of the Ad Hoc Committees may not be in line with the Act.	5	5	25	IDP Process Plan was adopted however the plan was implemented according to the timeframes.	4	5	20	Minimise/ Transfer	#Implementation and monitoring of the IDP Process Plan	1/7/2011	Municipal Manager, IDP Manager,

1.2 Local Economic Development (LED) Division Risk Register

Risk	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,2,3,5,9	Lack of integrated approach to respond to key economic drivers. (forestry ,tourism ,agriculture and mining)	4	5	20	#Outdated LED Strategy. # Approved Tourism Strategy	3	5	15	Minimise/ Transfer	#Review and update LED Strategy. #Review and update Tourism Strategy. #Source funding to review and update Tourism Strategy. #Approval of the LED and Tourism Strategies by Council.	30/09/2011 31/10/2011 31/10/2011 01/10/2011	Council, Municipal Manager, LED Practitioner
2	1,3,5,9	Lack of Educational Institutions resulting to inadequate skills and education.	5	5	25	#Outdated LED Strategy. #The mining company (Xtrata) funded the municipality to address the skills shortage.(business management, construction and carpentry).	3	4	12	Minimise / Transfer	#Review and update LED Municipal #Approval of the LED Strategy. # The service provider to conduct training is appointed. #Municipality should monitor the project.	30/09/2011 01/10/2011 01/07/2011 01/07/2011 - 01/10/2011	Council, Municipal Manager, LED Practitioner
3	1,3,5,9	Lack of policies to address joblessness.	5	5	25	#Outdated LED Strategy. #There is an MOU between the Municipality and Everest Mine to employ 45% of the workforce to be from the local community.	3	4	12	Minimise/ Transfer	#Review and update LED Municipal #Approval of the LED Strategy. #Municipality to monitor the implementation of the MOU by Everest Mining.	30/09/2011 01/10/2011 Ongoing	Council, Mayor, Municipal Manager, LED Practitioner

**THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011**

Risk	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
4	1,2,3,5,9	Lack of regulations to street trading. (By Laws)	4	5	20	No controls in place	4	5	20	Minimise / Transfer	#To source funding to develop BI Laws. #Approval of the BI Laws by the Council.	01/08/2011 30/09/2011	Council, Municipal Manager, LED Practitioner
5	1,3,5,9	Lack of LED policies to promote the economy of the Municipality.	4	5	20	No controls in place	4	5	20	Minimise / Transfer	#Source funding to develop LED policy. #Approval of the LED policy.	30/09/2011 28/02/2012	Council, Municipal Manager, LED Practitioner
6	1,3,5,7,9	Lack of funds and institutions to implement the Tourism Strategy.	5	5	25	# Outdated Tourism Strategy	4	5	20	Minimise / Transfer	#Source funding to develop Tourism Strategy. #Approval of the Tourism Strategy. #Implementation of the Tourism Strategy.	30/09/2011 28/02/2012 01/07/2012	Council, Municipal Manager, LED Practitioner
7	1,3,5,9	Lack of proper infrastructure for the rural areas.	5	5	25	#Outdated LED Strategy.	4	5	20	Minimise / Transfer	#Review and update LED Municipal #Approval of the LED Strategy. #Implementation of the LED Strategy.	30/09/2011 01/10/2011 28/02/2012	Council, Municipal Manager, LED Practitioner

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
8	1,3,5,9	Lack of marketing to enhance local investments.	4	5	20	#Outdated LED Strategy.	3	5	15	Minimise / Transfer	#Review and update LED Municipal #Approval of the LED Strategy. #Implementation of the LED Strategy.	30/09/2011 01/10/2011 28/02/2012	Council, Municipal Manager, LED Practitioner
9	1,3,5,9	Failure to leverage off tourism for local economic development.	5	5	25	# Outdated Tourism Strategy	4	5	15	Minimise / Transfer	#Source funding to develop Tourism Strategy. #Approval of the Tourism Strategy. #Implementation of the Tourism Strategy.	30/09/2011 28/02/2012 01/07/2012	Council, Municipal Manager, LED Practitioner
10	1,3,8	Lack of human capital in the LED and Tourism Division.	4	5	20	Proposed Organogram Budgeted to appoint IDP/LED Senior Manager	3	5	15	Minimise / Transfer	#Approval of the proposed organogram by Council. #Appointment of the IDP/LED Senior Manager.	31/07/2011 30/09/2011	Council, Municipal Manager, LED Practitioner
11	1,3,8	No handover process in place in the LED Division. (Succession Plan)	4	5	20	No controls in place.	4	5	20	Minimise / Transfer	#Develop Succession plan. (Handover process) #Approval of the Succession Plan. #Appointment of the Senior Manager IDP/LED.	30/09/2011 28/02/2012	Council, Municipal Manager, Senior Manager Corporate Services,

1.3 Communication and Public Participation Divisions Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,3,9	Lack of effective communication internally and externally.	4	5	20	#Communication and Marketing Strategy and Communication Policy. #Public Participation Policy #Insufficient Budget #Bath Pele Principles #Notice boards #Memorandums #Emails #Local Media (Print) #Radio #Pamphlets and Newsletters #Ward Committees #Community Liaison Officers and Community Development Workers	3	5	15	Minimise/ Transfer	#Review and update Communication and Marketing Strategy and Communication policy. #Review and update a Public Participation policy. #Approval of the Communication and Marketing Strategy and Communication policy by Council. #Approval of the Public Participation policy. #The Communication Official should attend MANCO meetings. #The Communication Division should be allocated to the Corporate Service Unit. #Website under construction and will be finalised by end July 2011 #Revive Ward Committees.	30/09/2011 01/11/2011 Ongoing 30/09/2011 31/07/2011	Council, Municipal Manager, Public Participation Officer, Senior Manager Corporate Services, Communication Officer

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
2	1,3,5,9	Poor stakeholder's relationship management resulting to dissatisfaction of the communities. Lack of feedback mechanisms from the community.	4	5	20	#Communication and Marketing Strategy and Communication Policy. #Insufficient Budget #Bath Pele Principles #Notice boards #Memorandums #Emails #Local Media (Print) #Radio #Pamphlets and Newsletters #Ward Committees #Community Liaison Officers and Community Development Workers	3	5	15	Minimise/ Transfer	#Review and update Communication Strategy and policy. #Approval of the Communication Strategy and policy by Council. #The Communication Official should attend MANCO meetings. #The Communication Division should be allocated to the Corporate Service Unit. #Website under construction and will be finalised by end July 2011 #Revive Ward Committees. #Develop a centralised complaints register.	30/09/2011 01/11/2011 Ongoing 30/09/2011 31/07/2011	Council, Municipal Manager, Public Participation Officer, Senior Manager Corporate Services, Communication Officer
3	1,3,9	Failure to foster public confidence due to non alignment of Municipal mandate to stakeholders needs.	4	5	20	#Communication and Marketing Strategy and Communication Policy. #Insufficient Budget	3	5	15	Minimise/ Transfer	#Review and update Communication Strategy and policy. #Approval of the Communication Strategy and policy by Council. #Increase budget in the next financial year 2012/2013	30/09/2011 01/11/2011 2012/2013	Council, Municipal Manager, Communication Officer
4	1,3,7,9	Insufficient budget resulting to the Communication Division not achieving its	3	5	15	No controls in place	3	5	15	Minimise/ Transfer	#Source funding for the communication and marketing activities. (District)	31/08/2011	Municipal Manager, Communication Officer

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
		Objectives.											
5	1,3,5,9	Non alignment of communication and LED Divisions on promotion of Tourism.	3	5	15	#LED Strategy #Communication and Marketing Strategy and Communication Policy. #Tourism Strategy	2	5	10	Minimise/ Transfer	#Review and update Communication and Marketing Strategy and Communication policy. #Approval of the Communication and Marketing Strategy and Communication policy by Council. #Finalisation of the LED Strategy review process. #Approval of LED strategy by Council. #Review and update the implementation plan of the Tourism Strategy. #Approval of the implementation plan of the Tourism Strategy by Council.	30/09/2011 01/11/2011 30/09/2011 01/11/2011 28/02/2012 01/03/2012	Council, Municipal Manager, Senior Manager Corporate Services, IDP Manager LED Practitioner, Communication Officer
6	1,3,4,5,9	Insufficient and incorrect information may be communicated to the public which may cause a negative reputation for the Municipality.	5	5	25	#Communication and Marketing Strategy and Communication Policy.	3	5	15	Minimise/ Transfer	#Correct information should be given to the Communication Officer in writing by management.	31/8/2011	Council, Municipal Manager, All Senior Managers, Communication Officer

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
7	1,2,3,9	Inconsistencies in convening consultative meetings with Ward Committees.	4	4	16	No controls in place	4	4	16	Minimise/ Transfer	#Establish Ward Committees which will be held monthly. #Community meetings will be held quarterly. #Induction of Ward Committees will be conducted in September 2011.	31/08/2011 31/10/2011 30/09/2011	Public Participation Officer, CDW's, CLO's Councilors
8	3,9	Lack of centralised complaints management system.	3	4	12	#Decentralise complaints register.	3	4	12	Minimise/ Transfer	#Centralise complaints and query system. #Monitoring of complaints and query system.	31/10/2011 31/10/2011	Municipal Manager, Communication Officer, Public Participation Officer,
9	3,9	Inadequate systems and process in responding to the needs of the community.	5	5	25	#Public Liaison Officers (Presidential Hotline) #Community Liaison Officers #Decentralised Complaints Register. #Public Participation Policy	4	5	20	Minimise/ Transfer	#Review and update Public Participation Policy. #Approval of the Public Participation Policy by Council. #Centralise complaints and query system. #Monitoring of complaints and query system.	30/09/2011 01/11/2011 31/10/2011 31/10/2011	Council, Municipal Manager, Public Participation Officer, Senior Manager Corporate Services, Communication Officer

2. Technical Services Risk Registers

2.1 Fleet Management and Workshops Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,3,5,7,9	Failure to replace complete fleet resulting to serious breakdown and expensive to maintain.	5	5	25	#Fleet Management policy and procedures. #National Road Transport Act. #The policy indicates that fleet should be replaced every five years.	4	5	20	Minimise/ Transfer	#Source funding to replace old and redundant fleet. (MIG Funds) #Review and update the Fleet Management Policy and procedures. #Approval of the Fleet Management policy by Council.	31/08/2011 15/09/2011 01/11/2011	Council, Municipal Manager, Senior Manager Technical Services, Manager Fleet and Workshops
2	1,3,8	Lack of human capital in the mechanical workshop resulting to the division not achieving its objectives.	4	5	20	#One Mechanic and one Field Mechanic. #Appointed two contractors for mechanical workshop. #Proposed organogram. #Budget includes the appointment of the Senior Mechanic, and the Mechanic and General Workers.	3	4	12	Minimise / Transfer	#Appointment of the Senior Mechanic, and the Mechanic and General Workers. #Approval of the Organogram.	30/09/2011 31/07/2011	Council, Municipal Manager, Senior Manager Technical Services, Manager Fleet and Workshops
3	1,3,5,7,9	Lack of new vehicles and new equipments, unable to render quality services.	5	5	25	#Fleet Management policy and procedures. #National Roads Transport Act.	4	5	20	Minimise / Transfer	#Source funding to replace old and redundant fleet. (MIG funds) #Review and update the Fleet Management	31/08/2011 15/10/2011 01/11/2011	Council, Municipal Manager, Senior Manager Technical

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
											Policy and procedures. #Approval of the Fleet Management policy by Council.		Services, Manager Fleet and Workshops
4	1,3,9	Ineffective use of equipments and vehicles by drivers and operators due to lack of controls.	4	4	16	#Fleet Management policy and procedures. #National Roads and Transport Act.	3	4	12	Minimise/ Transfer	#Review and update the Fleet Management Policy and procedures. #Approval of the Fleet Management policy by Council. #Workshop the fleet management policy and procedures. #Source funding for the instructor to train drivers/Operators for vehicles, equipments and operators.	15/10/2011 01/11/2011 31/11/2011 31/01/2012	Council, Municipal Manager, Senior Manager Technical Services, Manager Fleet and Workshops
5	1,3,7,9	Misuse of vehicles and equipments.	4	4	16	#Fleet Management policy and procedures. #National Roads and Transport Act.	3	4	12	Minimise / Transfer	#Review and update the Fleet Management Policy and procedures. #Approval of the Fleet Management policy by Council. #Workshop the fleet Management policy and procedures. #Source funding for the instructor to train drivers/Operators for vehicles, equipments and operators.	15/10/2011 01/11/2011 31/11/2011 31/01/2012	Council, Municipal Manager, Senior Manager Technical Services, Manager Fleet and Workshops

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk			Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
6	1,3,7,9	Lack of sufficient funds to maintain fleet for the Municipality (services, licensing and driver training, etc.). Lost opportunity to render quality services to the communities due to redundant fleet.	5	5	25	#Budget for 2011/2012 #Municipal cash flow	4	5	20	Minimise / Transfer	#Source funding to replace and maintain fleet. (MIG funds) #The Municipality should pay all creditors for fleet Management.	31/08/2011 30/09/2011	Council, Municipal Manager, Senior Manager Technical Services, Manager Fleet and Workshops
7	1,2,7,9	Inappropriate usage of equipments resulting to permanent damage to vehicles.	4	3	12	#The grader was used as a bulldozer and it got permanently damaged. ##Fleet Management policy and procedures. #National Road Transport Act.	3	3	9	Minimise / Transfer	##Source funding for the instructor to train drivers/Operators for vehicles, equipments and operators. #Workshop Fleet Management policy and procedures.	31/01/2012 31/11/2011	Senior Manager Technical Services, Manager Fleet and Workshops, Senior Manager Corporate Services

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
8	1,2,3	Inaccurate reporting of vehicle usage due to staff not completing vehicle logbooks.	3	4	12	#Fleet Management policy and procedures. #National Road Transport Act.	2	4	8	Minimise / Transfer	# Ensure that logbooks and inspection sheets are completed daily by the driver and operator. # Supervisors will reviewed logbooks and inspection sheets on a weekly basis. #Approval of the Fleet Management policy by Council. #Source funding for the instructor to train drivers/Operators for vehicles, equipments and operators. #Workshop the fleet management policy and procedures.	31/08/2011 31/08/2011 01/11/2011 31/01/2012 31/11/2011	Senior Manager Technical Services, Manager Fleet and Workshops, Senior Manager Corporate Services
9	1,2,3,6,9	Non implementation of the fleet management policy due to old fleet and equipments	4	5	20	#Fleet Management policy and procedures. #National Road Transport Act.	4	4	16	Minimise / Transfer	#Source funding to replace old and redundant fleet. (MIG funds) #Review and update the Fleet Management Policy and procedures. #Approval of the Fleet Management policy by Council.	31/08/2011 15/10/2011 01/11/2011	Council, Municipal Manager, Senior Manager Technical Services, Manager Fleet and Workshops

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk			Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
10	1,3,6	Excessive fuel usage. Over usage of vehicles may result to serious breakdown.	4	5	20	#Fleet Management policy and procedures. #National Roads and Transport Act.	3	5	15	Minimise / Transfer	#Review and update Fleet Management policy and procedures. # Source funding to install Tracker device which will help the Municipality to track every movement of the vehicle.(MIG funds)	15/10/2011 31/08/2011	Council, Municipal Manager, Senior Manager Technical Services, Manager Fleet and Workshops
11	1,2,3,4	Non compliance to the National Road and Transport Act and Local Government policy due to road worthiness of vehicles.	3	4	12	#7 trucks are not functional as they are currently waiting for funds to go for roadworthy test. #Fleet Management policy and procedures. #National Roads and Transport Act.	2	4	8	Minimise / Transfer	#To source funding to take all 7 trucks for road worthy test.	31/07/2011	Council, Municipal Manager, Senior Manager Technical Services, Manager Fleet and Workshops
12	1,3,8	Lack of qualified, skilled and motivated personnel in the fleet and mechanical workshop Division.	4	4	16	#HR Policies #Proposed Organogram	3	4	12	Minimise / Transfer	#Appointment of qualified and skilled personnel. #Appointment of the Senior Mechanic, and the Mechanic and General Workers. #Approval of the Organogram.	30/09/2011 30/09/2011 31/07/2011	Senior Manager Technical Services, Manager Fleet and Workshops, Senior Manager Corporate Services

2.2 Water and Sanitation Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,2,3,4,5,7,9	Shortage of materials for water and sanitation resulting to backlogs.	4	5	20	# National Water Act #Outdated Water and Sanitation policies and procedures. # Outdated Municipal Water Bi-Laws. # Utilising material which is currently available.	3	5	15	Minimise/ Transfer	#To source funds to procure material for water and sanitation. #Review and update Water and Sanitation Policies and Procedures. #Review and Update Municipal Water Bi Laws. #Approval of the Water and Sanitation Policies and Procedures by Council. #Approval of Municipal Water Bi Laws.	01/08/2011 30/09/2011 30/09/2011 15/11/2011 15/11/2011	Council, Municipal Manager, Senior Manager Technical Services, Superintendent Water and Sanitation, Senior Manager Corporate Services
2	1,2,3,4,8	High turnover of qualified and skilled personnel in Water and Sanitation Division due to low grading by SALGA.	4	4	16	#SALGA #Budget includes the following position: -Senior Operators -Operators -General workers #Staff requisition to replace resigned or retired personnel.	3	4	12	Minimise/ Transfer	# Council should review salary grading for the following position: - Senior Plant Operators -Plumbers #Appointment of the following : -Senior Operators -Operators -General workers #Next financial year the following positions will be included in the Budget : -Plumber Senior Plant Operators. -Assistant Plumbers	15/11/2011 01/08/2011 2012/2013	Council, Municipal Manager, Senior Manager Technical Services, Superintendent Water and Sanitation, Senior Manager Corporate Services

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
3	1,2,3,4,9	Non compliance to the National Water Act (Blue drop and Green drop)	4	4	16	# National Water Act #Outdated policies and procedures. # Outdated Municipal water Bi-Laws.	3	4	12	Minimise/ Transfer	#Review and update Water and Sanitation Policies and Procedures. #Review and Update Municipal Water Bi Laws. #Approval of the Water and Sanitation Policies and Procedures by Council. #Approval of Municipal Water Bi Laws.	30/09/2011 30/09/2011 15/11/2011 15/11/2011	Council, Municipal Manager, Senior Manager Technical Services, Superintended Water and Sanitation
4	1,3,7	Shortage of vehicles and tools for water and sewerage maintenance. Lack of resources (computers,3G's and telephones).	3	5	15	#There's 3 out of 4 bakkies utilised by the Division. # Each Plumber has a toolbox however some tools are old or broken. #Superintend in Water and Sanitation is using his personal Laptop.	2	4	8	Minimise/ Transfer	# Municipality to buy another bakkie for Water and Sanitation. # To replace old or broken tools. #To install telephones in the Water and Sewer Plant Offices. #To buy at least one computer for Water and Sewer Division.	30/09/2011 31/07/2011 30/06/2011 31/07/2011	Council, Municipal Manager, Senior Manager Technical Services, Superintended Water and Sanitation
5	1,2,4,7,9	Failure to upgrade water purification plant resulting to shortage of water and the plant will deteriorate. Shortage of main storage reservoirs	5	5	25	#National Water Act # The current water plant is limited does not have enough capacity for the expanding Lydenburg community. # Currently utilising supply reservoirs.	4	5	20	Minimise/ Transfer	#Comply with the National Water Act. # Upgrade the water purification plant. # To construct the main storage reservoir. #To source funding to the Department Water Affairs and MIG funding.	Ongoing 2012/2013 2012/2013	Council, Municipal Manager, Senior Manager Technical Services, Superintended Water and Sanitation

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
6	1,2,3,5	Lack of communication from the Top management to the subordinate division resulting to silo operations.	4	4	16	#Memorandum is sent to all management if there is urgent meeting.	3	4	12	Minimise/ Transfer	# Establish divisional bi-weekly meeting between the Senior Manager Technical Services and all Superintended.	1/7/2011	Senior Manager Technical Services, All Superintended
7	1,3,5,8,9	Lack of human capital in Water and Sanitation Division resulting to the Division not achieving its objectives.	4	5	20	#Budget include the following position: -Senior Operators -Operators -General workers	3	5	15	Minimise/ Transfer	#Appointment of the following: -Senior Operators -Operators -General workers #Next financial year the following positions will be included in the Budget : -Plumber Senior Plant Operators. -Assistant Plumbers	01/08/2011 2012/2013	Council, Municipal Manager, Senior Manager Technical Services, Senior Manager Corporate Services

2.3 Electrical Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,3,4,7,9	Failure to upgrade electrical network which may result to the collapse of the network / damage substations. Lack of funding to upgrade electrical substations.	5	4	20	#Check the amps (voltage), if the amps are above the required maximum weight set , then they have to do load shading to protect the electrical network or blackout in the whole are.	4	4	16	Minimise / Transfer	# Source funding to commission the Roidry substation estimated at about +- 5 million. (MIG funds). Business plan to the DBSA. # Senior Manager Technical Services to write a security letter to Eskom to commission the Roidry substation. #Senior Manager Technical Services to write letter negotiating for the 10% deposit for the early termination guarantee. #Source funding to upgrade the network by constructing the network (Duma substation). (MIG funds) +- 40 million. Business plan to DBSA	31/08/2011 30/06/2011 30/06/2011 31/08/2011	Council, Municipal Manager, Senior Manager Technical Services, Superintendent Electrical
2	1,3,8	Shortage of skilled staff in the electrical Division.	4	4	16	# Appointed Assistant Electricians which are not qualified. #Proposed Organogram.	3	4		Minimise / Transfer	# Appointment of 4 qualified Electricians for Lydenburg. # Appointment of 4 qualified Electricians for 2 Graskop and 2 Sabie. # Approval of the proposed Organogram.	30/09/2011 31/10/2011 31/07/2011	Council, Municipal Manager, Senior Manager Technical Services, Superintendent Electrical

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
3	1,3,4, 7,9	Shortage of materials for the maintenance of electrical network resulting to the network deteriorating.	4	4	16	No controls in place.	4	4	16	Minimise / Transfer	# Source funding for maintenance of the Electrical networks. MIG funds.	31/08/2011	Council, Municipal Manager, Senior Manager Technical Services, Superintendent Electrical
4	1,3,4, 9	Non compliance to Occupational Health and Safety (protective clothing and equipment) may result to serious injuries or death.	3	3	9	# Current toolboxes available do not have all the required equipments. #Electrical protective clothing not in place.	2	3	6	Minimise / Transfer	#Municipality to purchase electrical protective clothing for all electrical technicians and toolbox equipments.(Lydenburg, Graskop and Sabie) (+- 100 000)	31/08/2011	Municipal Manager, Senior Manager Technical Services, Superintendent Electrical
5	1,3,	Lack of communication from the Top management to the subordinate division resulting to silo operations.	3	5	15	No controls in place	3	5	15	Minimise / Transfer	# Establish divisional bi-weekly meeting between the Senior Manager Technical Services and all Superintended.	01/07/2011	Senior Manager Technical Services, Superintendent Electrical

2.4 Roads and Storm Waters Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,2,3,4,7,9	Lack of resources (material and vehicles) to maintain roads result to potholes on the roads.	4	5	20	#Temporarily the Division mixes cement and gravel to close the potholes. # Tractor is being used as means of transport. #National Roads and Safety Act. #Outdated Roads and Storm Water Drainage Policy and procedures.	3	5	15	Minimise / Transfer	# To source funding to take the grader and tipper for road certificate. # Review and update Roads, Storm Water Drainage policies and procedures. #Approval of the Roads, Storm Water Drainage policies and procedures by Council.	31/07/2011	Municipal Manager, Senior Manager Technical, Superintended Roads, Superintended Flee and Workshops
2	1,2,3,4,7,9	Lack of resources (material and vehicles) to maintain storm water drainage result to blockage of storm water drainage.	4	5	20	# The Superintended Roads and Storm water uses his subsidised vehicle to transport staff members for Storm water drainage. # Cleaning of drainages. #Also uses the Workshops bakkie. #National Roads and Safety Act. #Outdated Roads and Storm Water Drains Policies.	3	5	15	Minimise / Transfer	#To source funding to maintain Municipal vehicles. # Review and update Roads, Storm Water Drainage policies and procedures. #Approval of the Roads, Storm Water Drainage policies and procedures by Council.	31/07/2011	Municipal Manager, Senior Manager Technical, Superintended Roads, Superintended Flee and Workshops

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
3	1,2,3, 7,9	Lack of funding to replace aged road maintenance vehicles resulting to the Division not achieving its objectives.	4	5	20	No controls in place	4	5	20	Minimise / Transfer	#To source funding to replace aged road maintenance vehicles.	31/08/2011	Municipal Manager, Senior Manager Technical, Superintended Roads, Superintended Flee and Workshops
4	1,3,	The current staff in the Roads and storm Division is under utilised due to unavailability of resources (material and vehicles).	4	5	20	No controls in place	4	5	20	Minimise / Transfer	#At least one vehicle should be allocated to Roads and Storm Waters Division.	31/07/2011	Municipal Manager, Senior Manager Technical, Superintended Roads, Superintended Flee and Workshops
5	1,2,3, 4,9	Inappropriate usage of equipments or vehicles resulting to permanent damage.	4	5	20	#The Division is utilising the tractor instead of the tipper. #National Roads and Safety Act	3	5	15	Minimise / Transfer	# To source funding to take the grader and tipper for road certification. (Municipality)	31/07/2011	Municipal Manager, Senior Manager Technical, Superintended Roads, Superintended Flee and Workshops

2.5 Town Planning Division Risk Register

Risk	No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
				Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
1	1,2,3,4,7,9		Non compliance to the Town Planning legislation and the Thaba Chweu Town Planning Scheme leading to illegal land users.	4	4	16	#Town Planning Legislations Ordinance 15 of 1986. #Thaba Chweu Town Planning Scheme of 1995.	3	4	12	Minimise/ Transfer/	#Review and update Thaba Chweu Town Planning Scheme. (Town Planning Division Building Control Division, Housing Division and Health and Safety Division) #Approval of the Thaba Chweu Town Planning Scheme by Council.	01/12/2011 28/02/2012	Council, Municipal Manager, Senior Manager Technical Division Service, Building Inspector, Housing Officer, Town Planner
2	1,2,3,8,9		Lack of human Capital in the Town Planning Division resulting to the Division not achieving its objectives.	3	5	15	#Proposed Organogram. #Appointed a Town Planner in Lydenburg.	2	5	10	Minimise/ Transfer	#Approval of the proposed Organogram by the Council. #Appointment of Town Planners (Sabie and Graskop) next year budget 2012/2013. #Provision will be made for the appointment of the GIS Technician by 2011/2012.	31/07/2011 2012/2013 31/10/2011	Council, Municipal Manager, Senior Manager Technical Services, Senior Manager Corporate Services, HR Manager,
3	1,2,3,9		Failure to support bulk service in newly development places (in Mashishing and Lydenburg) may result to	5	5	25	No controls in place	5	5	25	Minimise/ Transfer	#Source funding for bulk services. (Business plan for DBSA) #The budget should include bulk service for 2012/2013.	31/10/2011 2012/2013	Municipal Manager, Senior Manager Technical Services,

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
		developments not taking place. Lack of funds to support bulk services.											Town Planner
4	3,4,6,9	Lack of backup facilities (mainframe) for the Town Planning information and plans.	5	5	25	No controls in place	5	5	25	Minimise/ Transfer	#ICT Service provider should backup all town planning information.	31/08/2011	Senior Manager Technical Services, Town Planner, Senior Manager Corporate Services, ICT Service Provider
5	1,2,3,4,9	Possibility of non alignment of the SDF to the IDP which may result to non implementation of the SDF.	3	4	12	#Draft Spatial Development Framework. #Thaba Chweu Town Planning Scheme of 1995.	2	4	8	Minimise/ Transfer	#Submission of the Final Draft Spatial Development Framework to Council for approval.	01/11/2011	Council, Municipal Manager, Senior Manager Technical Services, Town Planner
6	1,2,3,6,9	Lack of Geographic Information System (GIS) for information retrieval and storage.	5	5	25	#Currently utilising the GIS for Ehlanzeni system.	4	4	16	Minimise / Transfer	#Provision will be made for the appointment of the GIS Technician by 2011/2012.	31/10/2011	Municipal Manager, Senior Manager Technical Services, Senior Manager Corporate Services,

2.6 Housing Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1.3.4.9	Failure to eradicate informal settlements result to more mushrooming of informal settlements.	4	5	20	Under review of Municipal Housing Policy	3	5	15	Minimise/ Transfer	#Review and update the Municipal Housing Policy. #Approval of the Municipal Housing Policy by Council. #Develop By Laws relating to informal settlements. # Approval of By Laws relating to informal settlements by Council.	30/09/2011 01/11/2011 31/10/2011 31/03/2012	Council, Municipal Manager, Sec 57 Managers, Housing Manager
2	1.2.3.4.9	Failure to allocate houses based on the Housing Code guidelines result to the dissatisfaction of the community.	5	4	20	#Housing Code Guidelines #Housing Act #Local Municipal Housing Policy	3	4	12	Minimise/ Transfer	#Enforcement of Housing guidelines, Housing Act and Municipal policy and constant monitoring thereof.	Ongoing	Municipal Manager, Senior Manager Technical Services, Housing Manager
3	1.2.3.4.9	Possibility of fraud and misallocation of RDP houses.	4	4	16	#RDP Waiting list. #Qualifying criteria as per Housing Code Guidelines.	3	4	12	Minimise / Transfer	#Implement the National Housing Database List. #Enforcement of the qualifying criteria as per Housing Code Guidelines.	30/09/2011 Ongoing	Municipal Manager, Senior Manager Technical Services, Housing Manager

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
4	1.2.3.4.5.9	Non compliance to the Housing Act and Municipal Housing Policy may result to non qualifying people receiving RDP houses.	5	5	25	#Housing Code Guidelines #Housing Act #Local Municipal Housing Policy	4	5	20	Minimise / Transfer	#Enforcement of Housing guidelines, Housing Act and Municipal policy and constant monitoring thereof.	Ongoing	Municipal Manager, Senior Manager Technical Services, Housing Manager
5	1.3.7.9	Non availability of land to cater for middle income earners may create more indigent communities.	5	5	25	No controls in place	5	5	25	Minimise / Transfer	#The Municipality should identify land and service it for the middle income earners.	2012/2013	Municipal Manager, Senior Manager Technical Services, Housing Manager
6	1.3.9	Inappropriate intergovernmental relations may impact negatively on service delivery.	4	5	20	#Draft Communication Strategy #Local IDP forum #District IDP forum #Housing Chapter of the IDP	3	4	12	Minimise / Transfer	#Approval of the Communication Strategy by Council. #Council to address intergovernmental relations.	01/11/2011 Ongoing	Council, Municipal Manager, Sec 57 Managers, IDP Manager Housing Manager

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
7	1.2.3. 4.5.6. 7.8.9	Non compliance to the National Home Builders Regulation Council resulting to the construction of poor quality houses and fruitless expenditure.	3	4	12	#Dept of Human Settlement sent their own Building Inspectors. #National Building Act #Housing Consumer Protection Act	2	4	8	Minimise / Transfer	#There must be an MOU between Thaba Chweu Municipality and Dept of Human Settlement. # When MOU is signed, enrolment of the RDP houses with the National Home Builders Regulation Council. #Once enrolled with NHBRC, inspectors are sent to monitors the construction quality. #Appointment of more Building Inspectors by the Municipality.	30/09/2011 Ongoing Ongoing 2012/2013	Council, Municipal Manager, Senior Manager Technical Services, Housing Manager
8	1.2.3. 4.9	Difficult or impossible to determine boundaries in some properties through dislocated pegs.	3	4	12	No controls in place	3	4	12	Minimise / Transfer	#Budget should be made available to procure necessary instrument (metal detector for identifying beckons).	2012/2013	Municipal Manager, Senior Manager Technical Services, Housing Manager
9	1.2.3. 7.9	Slow response to formalization of informal settlements resulting in loss of potential revenue (paying for municipal services).	5	5	25	No controls in place	4	5	20	Minimise / Transfer	#Develop a Data for all informal settlement. #Demarcation of informal settlements in order to control them.	31/11/2011 Ongoing	Municipal Manager, Senior Manager Technical Services, Housing Manager

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

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			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
10	1.2.3.4.9	Lack of By Laws to prevent illegal occupation of RDP houses.	3	4	12	#Municipal Housing Policy	2	4	8	Minimise / Transfer	#Develop By Laws to prevent illegal occupation by Council. #Approval of By Laws to prevent illegal occupation by Council.	31/10/2011 31/03/2012	Municipal Manager, Senior Manager Technical Services, Housing Manager Services, Housing Manager
11	1.2.3.9	Lack of credible RDP housing waiting list.	5	5	25	#Current waiting list not utilised. (Not credible) #Housing Demand Data Base	3	4	12	Minimise / Transfer	#Implement the National Housing Database List. #Enforcement of the qualifying criteria as per Housing Code Guidelines.	30/09/2011 Ongoing	Senior Manager Technical Services, Housing Manager
12	1.3.7.9	Incorrect registration of RDP houses result to inaccurate billing.	3	4	12	#Township Register, but not yet completed. #Property Valuation Roll	2	4	8	Minimise / Transfer	#Finalisation of the Township Register by the Conveyancers.	31/10/2011	Senior Manager Technical Services, Housing Manager
13	1.2.3.7.9	Lack of budget to maintain hostels (community residential units) and old age flats.	4	5	20	#Operational and maintenance plan under review.	3	4	12	Minimise / Transfer	#Approval of the Operational and Maintenance Plan by Council. #The Council should Consider increasing tariffs in the hostel and old age flats. #The Council should consider Installation of	1/11/2011 2012/2013 2012/2013	Council, Municipal Manager, CFO, Senior Manager Technical Services, Revenue Manager,

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

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			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
14	1.3.7.9	Loss of revenue due to improper management of hostels /community residential units.	5	5	25	#Lease agreements and Tenants Register in Mashishing.	4	5	20	Minimise / Transfer	prepaid electricity and water meters. #Develop Tenants register and Lease agreements for Sabie and Graskop hostels. #Surprise visit to the hostels. #Update Tenants Register for Mashishing. #Housing Manager should perform monthly reconciliation between the Tenants Register and Revenue collected for hostels and old age home.	30/09/2011 Ongoing	Housing Manager CFO, Senior Manager Technical Services, Revenue Manager, Housing Manager

2.7 Building Control Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,2,3,4,9	Failure of proper inspection of foundation of soil conditions results to collapsing of buildings.	4	3	12	#National Building Regulation Act 103 1977. #Building owners and Builders should comply with the NBA. #Municipality will ensure the appointment of the Engineers to perform proper inspections.	2	1	2	Tolerate			Building Control Officer, Chief Building Inspectors,
2	1,2,3,4,5,9	Inappropriate approval of building plans may lead to legal actions and legal costs to the Municipality.	4	4	16	#Developed Checklist to control every point to be checked by the Building inspectors to ensure compliance.	1	1	1	Minimise	#Continuous attendance of training workshops conducted by SABS and other regulatory bodies to keep up breast with the legislations.	Ongoing	Building Control Officer, Chief Building Inspectors, Senior Manager Corporate Services, HR Manager
3	1,2,3,4,8	High turnover of building inspectors due to low grading by SALGA for the Thaba Chweu Municipality.	4	5	20	#Advertise the posts for the Building inspectors. #SALGA	3	5	15	Minimise / Transfer	#Appointment of the Building Inspectors. #SALGA to be realistic with the grading due to high staff turnover of Building inspectors.	30/09/2011	Council, Municipal Manager, Building Control Officer, Chief Building Inspectors,

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
													Senior Manager Corporate Services, HR Manager
4	1,3,7,9	Ineffective control on allocation of building plan fees resulting to misappropriation of funds.	3	5	15	#Developed a new application control system by which the amount, receipt number, time spent, submission date, approval date, building plans, reference number is indicated. #Backup all building information on an external hard drive.	1	1	1	Minimise / Transfer	#To get a mainframe (centralise backup) to backup all building information.	30/09/2011	Building Control Officer, Chief Building Inspectors, Senior Manager Corporate Services,
5	1,3,4	Lack of backup facilities (mainframe) for the building documentation and plans. Non compliance to the National archive Act. All Building documents not archived.	5	5	25	#Backup all building information on an external hard drive. #Copies are given to the house owner not the original.	4	5	20	Minimise / Transfer	#To get a mainframe (centralise backup) to backup all building information.	30/09/2011	Building Control Officer, Chief Building Inspectors, Senior Manager Corporate Services,

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

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			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
6	1,3,8	No hand over process in place in the Building division (Succession plan).	5	5	25	Advertise the posts for the Building inspectors.	4	4	16	Minimise / Transfer	#Appointment of the Building Inspectors. #SALGA to be realistic with the grading due to high staff turnover of Building inspectors.		Council, Municipal Manager, Building Control Officer, Chief Building Inspectors, Senior Manager Corporate Services, HR Manager
7	2,3,4	Turnaround time in approving Building plans.	3	3	9	#National Building Regulation Act 103 1977. #Developed Checklist to control every point to be checked by the Building inspectors to ensure compliance. #Approval of buildings plans must be 30 days.	1	1	1	Tolerate	# Prevention of submitting Building plans if all zoning issues are not in place or other legislations are not complied with. The plan may be approved within 6 months due to non compliance.		Building Control Officer, Chief Building Inspectors,

2.8 Project Management Unit (PMU) Division Risk Register

Risk			Evaluation before Considering Current Control Strategies				Evaluation after Considering Current Control Strategies			Risk Treatment			
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
No.	RC	Risk Description				Key Management Controls in Place				Minimise/ Transfer/ Tolerate	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
1	1,2,3,6,9	Failure to get approval of business plan on time resulting to late implementation of projects.	3	4	12	#PMU Manager to prepare business plan on time (from the first month of each financial year) #Senior Manager Technical Services to review the business plan. #Review and approval by the Accounting Officer (Municipal Manager) #Business plan to be submitted on time to the Provincial and National Province. (January of every year).	2	4	8	Tolerate		Ongoing	Municipal Manager, Senior Manager Technical Services, PMU Manager
2	1,3,6,9	Failure to implement projects during the year may result in reduction of the budget in the following financial year.	5	4	20	#Proper planning for the upcoming year: #Projects alignment to budget. #Budget implementation and monitoring. #Project registration.	3	4	12	Minimise/ Transfer/	#Constant monitoring of the projects which are aligned to the budget.	Ongoing	Municipal Manager, Senior Manager Technical Services, PMU Manager

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk			Evaluation before Considering Current Control Strategies				Evaluation after Considering Current Control Strategies			Risk Treatment			
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level		Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
3	3,6,9	Turnaround time in procurement processes may cause delays in implementing projects.	5	4	20	#Outdated SCM Policy #Draft SCM procedures #Bid Committees: -Specification -Valuation Committee -Adjudication Committee	3	4	12	Minimise/ Transfer	#Review and update SCM policy and procedures. #Approval of the SCM policy by Council. #Approval of SCM procedures		Council, Municipal Manager, CFO, SCM Assistant Manager
4	3,6,9	Late registration of projects may result to late implementation of projects.	4	4	16	#Proper planning for the upcoming year: #Budget implementation and monitoring. #Project registration.	3	4	12	Minimise / Transfer	#Monitoring of project registration.	Ongoing	Municipal Manager, Senior Manager Technical Services, PMU Manager
5	1,3,8	Lack of human capital in PMU Division may result to the Division not achieving its objectives.	3	5	15	#Proposed Organogram #PMU business plan includes the budget for the PMU personnel. (PMU Technician, Data Capturer and Secretary)	2	5	10	Minimise/ Transfer	#Approval of the proposed organogram. #Appointment of the PMU Staff: - PMU Technician, -Data Capturer and - Secretary	31/07/2011 01/09/2011 01/09/2011 01/10/2011	Council, Municipal Manager, Senior Manager Technical Services, PMU Manager
6	1,2,3,8	High turnover of Technicians due to low grading by SALGA for the Thaba Chweu Municipality.	4	5	20	#MIG funds	3	5	15	Minimise/ Transfer	#The Municipality should contribute to the MIG funds in order to employ experienced and skilled personnel.	2012/2013	Council, Municipal Manager, Senior Manager Technical

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

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			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
													Services, PMU Manager
7	1,3,7,	Lack of funds to implement other projects planned in the IDP.	5	5	25	#MIG Funds #Municipal Budget which has no funds.	4	5	20	Minimise/ Transfer	# IDP Manager should facilitate the Development of the Revenue Raising Strategy to be able to implement other projects in the IDP. #Approval of the Revenue Raising Strategy by Council.	30/09/2011 01/11/2011	Council, Municipal Manager, CFO, Senior Manager Technical Services, IDP Manager
8	1,3,6,9	Possibility of mismanagement of funds allocated for the MIG capital projects.	5	4	20	#No controls in place	5	4	20	Minimise / Transfer	#A request will be made to the Municipal Manager to open a separate bank account for the MIG Projects.	31/07/2011	Municipal Manager, Senior Manager Technical Services, PMU Manager
9	1,3,6,9	Appointment of inexperienced contractors/consultants resulting to late implementation of the project or unable to complete the projects.	4	4	16	#Outdated SCM Policy #Draft SCM procedures #Bid Committees: -Specification -Valuation Committee -Adjudication Committee -Monitoring of the projects by the PMU Manager.	3	4	12	Minimise/ Transfer	#Review and update SCM policy and procedures. #Approval of the SCM policy by Council. #Approval of SCM procedures. #Constant monitoring of the contractors against deliverables.	30/09/2011 01/11/2011 30/09/2011 Ongoing	Municipal Manager, Senior Manager Technical Services, PMU Manager, SCM Bid Committees

Risk			Evaluation before Considering Current Control Strategies				Evaluation after Considering Current Control Strategies			Risk Treatment			
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level		Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
No.	RC	Risk Description				Key Management Controls in Place				Minimise/ Transfer/ Tolerate			
10	1,3,5	Absence of backup system resulting to loss of PMU or business information due to lack of mainframe. Non compliance to the National archive Act. All PMU documents not archived.	5	5	25	#The PMU Manager uses his private drive to backup information. #Part of the PMU information is kept in Records Division.	3	5	15	Minimise/ Transfer	#ICT Service provider to backup all PMU information on the server. #PMU to send all information to Records Division.	31/08/2011 31/08/2011	Municipal Manager, Senior Manager Technical Services, PMU Manager, ICT Service Provider

3. Corporate Services Risk Registers

3.1 Legal and Contract Management Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
1	3,4,9	Lack of consultation on Legal issues by internal stakeholders resulting in litigation in court.	3	4	12	HR Policies Send memo's to internal stakeholders to remind them on Legal processes.	2	4	8	Minimise	Discussion of Legal processes at management meetings. (standing item)	01/6/2011	Legal Manager, Director Corporate Service
2	1,3,5,9	Lack of contract management framework.	4	5	20	New contracts are sent to Legal for review and perusal.	3	5	15	Minimise/ Transfer	Develop a Contract Management framework. Develop register for all contracts. Develop a tool for monitoring performance of service providers. Centralise all original contracts to the Legal Division. Approval of the Contract Management Framework by the Council.	01/08/2011 30/06/2011 31/08/2011 15/06/2011 01/10/2011	Legal Manager, Director Corporate Service, Municipal Manager, Council
3	1,2,3,4,9	Non compliance to applicable Local Government laws and regulations.	4	4	16	Only identify non compliance issues as and when labour relations and legal matters are raised.	3	4	12	Minimise	Delegate the function of compliance to existing legal personnel. Identify all legislations and regulations that Municipality should comply. Develop a compliance	25/09/2011 30/09/2011 31/10/2011 01/01/2012	Legal Manager, Director Corporate Service,

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
											register. Compliance register will assist in monitoring compliance.		
4	1,3,4,9	Non adherence to due dates on Legal matters resulting to high legal costs.	4	4	16	Send memo's to internal stakeholders as and when legal matters raised.	3	4	12	Minimise	Send a memo advising all Departments that mail on legal matters should immediately be sent to the Legal Division. Legal should ensure that they immediately attend to all legal matters received, and respond to all matters before due dates. #Incoming mail is centralised in mail.	15/06/2011 Ongoing	Legal Manager, Director Corporate Service,
5	1,3,9	Failure to implement legal advice by the internal stakeholders may result to litigation / attachment of Council property by the Sheriff.	4	4	16	Send memo's to internal stakeholders to remind them on Legal processes.	3	4	12	Minimise	Discussion of Legal processes at management meetings. (standing item)	01/6/2011	Legal Manager, Director Corporate Service
6	1,2,3,4	Insufficient budget to fully resource the law library with current law reports.	3	4	12	Law reports and court decisions. There is a budget to o an electronic subscribe library.	2	4	8	Minimise/ Transfer	#Amended legislations and recent court decisions and law reports. #Prioritise of budget to subscribe to an electronic library.	31/12/2011	Legal Manager, Director Corporate Service, CFO, Municipal Manager

3.2 Records Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,3,8,	Lack of human capital (Records Manager) resulting to the Records Division not achieving its objectives.	4	4	10	Draft Organogram Post of the Records Manager included in the budget.	3	4	12	Minimise/ Transfer	#Approval of the Organogram by the Council. #Appointment of the Records Manager.		Human Resource Manager, Director Corporate Services, Municipal Manager, Council
2	1,2,3, 4,5,9	Lack of centralised information records resulting to loss of critical information for the Municipality.	5	5	25	Decentralised information, All departments keep their own information.	4	5	20	Minimise/ Transfer	#Submission of a memo to all the Departments requesting all information which needs to be filed. #Centralise all information records from all Departments to the Records Division.	30/06/2011 '01/8/2011	Director Corporate Services, All Directors,
3	1,2,3, 9	Non compliance to the National Archive Act and Records Management results in the Records Division not able to achieve their objectives.	5	5	25	#National Archive Act and Records Management #Draft Records Management policy #Approved file plan #Draft procedure manual.	4	4	16	Minimise/ Transfer	#Approval of the Records Management policy by the Council. #Implementation of the file plan. Compliance with the National Archive Act and Records Management.		Director Corporate Services, Municipal Manager, Council

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
4	3,8	Lack of training in the Records Division resulting to personnel not updated with current standards and regulations.	3	4	12	Selected staff attends Provincial training on Records Management.	3	3	9	Minimise/ Transfer	#HR should perform a skills assessment for the Records Division. #Availability of budget for training.		Human Resource Manager Director Corporate Services Municipal Manager
5	1,2,3,	Outdated records system due to the system not being updated with the approved file plan.	5	5	25	Outdated system (Collaborator Engineering system). Approved file plan. Manual record keeping.	4	5	20	Minimise/ Transfer	#Implementation of the file plan. Updating the system (Collaborator Engineering system) with the approved file plan. #Availability of budget to source service provider to update the Records system.		Director Corporate Services
6	1,2,3, 5,9	The current Records Management policy has not yet been approved by the Council.	4	5	20	Draft Records Management policy National Archive Act and Records Management	3	5	15	Minimise/ Transfer	#Approval of the Records Management policy by the Council. #Implementation of the Records Management policy.		Director Corporate Services, Municipal Manager, Council
7	2,3,5, 9	Management of document may not be adequate and effective.	4	5	20	Draft Records manual procedures. Draft Records Management policy Approved file plan	3	5	15	Minimise/ Transfer	#Approval and implementation of the Records manual procedures. Approval of the Records Management policy by the Council. Implementation of the file plan.		Director Corporate Services, Municipal Manager, Council

4. Social Development Risk Registers

4.1 Waste and Refusal Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,2,3,4,7,9	Non compliance to Health and Safety Act, due to lack of protective clothing.	3	5	15	#Current protective clothing not complying to SABS requirements and standards. # The current budget includes procuring protective clothing.	3	4	12	Minimise/ Transfer	#Source funding to procure new protective clothing which complies with SABS requirements and standards. # Protective clothing should be bought twice a year.	31/08/2011	Municipal Manager, Senior Manager Social Development, Superintended Waste and Refusal
2	1,2,3,5	Lack of By Laws for Waste Management and Illegal dumping.	4	4	16	Outdated By Laws for Waste Management and Illegal dumping	3	4	12	Minimise/ Transfer	#Review and updated By Laws for Waste Management and Illegal Dumping. # Approval of By Laws by Council. # Workshop By Laws to the employees and community.	30/09/2011 01/11/2011	Council, Municipal Manager, Senior Manager Social Development, Superintended Waste and Refusal
3	1,2,3,7,9	Non compliance to Health and Safety Act, due to shortage of resources (e.g refuse compactors, vehicles, TLB and tippers.	4	5	20	# Two refuse compactors (one is broken) #A tractor and trailer combination is used in cases where the refuse compactor is broken.	3	5	15	Minimise/ Transfer	# To source funding to procure 2 new refuse compactors for Lydenburg, 1 refuse compactor for Graskop, 1 refuse compactor for Sabie. #To source funding	2012/2012 30/09/2011 31/12/2011	Council, Municipal Manager, Senior Manager Social Development, Superintended

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
						#One bakkie 1400					and fix the broken refuse compactor. # To source funding to procure a long base Bakkie. # To source funding to procure a tipper specifically used by the Waste Department.		Waste and Refusal
4	1,2,3,9	The private Recycle center utilised by the Municipality is unable to handle the capacity of the recycling material.	3	5	15	#The Waste and Refusal Division only does normal refuse collection to the land filled sites.	3	4	12	Minimise/ Transfer	# The Municipality should identify a land for an additional recycle centre.	2012/2013	Council, Municipal Manager, Senior Manager Social Development, Superintended Waste and Refusal
5	1,3,8	Lack of capacity and skills for Waste Management (landfill sites and recycling).	4	5	20	No controls in place.	4	5	20	Minimise/ Transfer	#Conduct Skills Audit and Needs Analysis. #Recommendation of training requirements. #Report on Work Place Skills Plan should be developed.	31/08/2011 31/08/2011 30/09/2011	Council, Municipal Manager, Senior Manager Corporate Services, HR Manager, Senior Manager

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
6	1,3,7,9	Ineffective turnaround time of daily collection of refuse removal.	4	4	16	#Daily collection of refuse removal. # Refuse compactors, tippers, tractor and bakkie.	3	4	12	Minimise/ Transfer	# To source funding to procure 2 new refusal compactors for Lydenburg, 1 refusal compactor for Graskop, 1 refusal compactor for Sabie. #To source funding and fix the broken refusal compactor. # To source funding to procure a long base Bakkie. # To source funding to procure a tipper specifically used by the Waste Department.	2012/2012 30/09/2011 31/12/2011	Council, Municipal Manager, Senior Manager Social Development, Superintended Waste and Refusal
7	1,2,3,4,9	Non compliance to the minimum requirements on landfill sites.(maintenance and operations e.g. dilapidated fencing and there's no gate and there's no cover material)	4	5	20	#Independent contract does the compacting.	3	5	15	Minimise/ Transfer	# The Municipality is going to Outsource the whole operations and maintenance of the landfill sites for Lydenburg, Sabie and Graskop. The tender has been advertised. #Appointment of the service provider for the landfill sites.	30/06/2011 01/08/2011	Senior Manager Social Development, Independent Contractor, Superintended Waste and Refusal, SCM

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
8	1,3,8	Lack of human capital in the Waste and Refusal Division resulting to the Division not achieving its objectives.	4	5	20	#Proposed organogram	3	5	15	Minimise/ Transfer	# Approval of the organogram by Council. #Appointment of the Superintended. #Appointment of the Data Collection Clerk. #Appointment of the Spotter. # Appointment of 8 General workers.	2011/2012 31/08/2011 2012/2013 2012/2013 2011/2012	Council, Municipal Manager, Senior Manager Corporate Services, HR Manager, Senior Manager Social Development

4.2 Parks and Cemeteries Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,3,8	Lack of human capital in the Parks and Cemeteries Division resulting in the Division not achieving its objectives.	4	5	20	#Proposed Organogram #Budget includes the appointment of the Superintended, Supervisor in Parks and Cemeteries	3	5	15	Minimise/ Transfer/	#Approval of the organogram by Council. #Appointment of the Superintended Parks and Cemeteries, Supervisor. #Appointment of 9 General Workers and 2 Drivers.	31/07/2011 31/10/2011 2012/2013	Council, Municipal Manager, Senior Manager Social Development, Acting Supervisor Parks and Cemeteries
2	2,3,7	Non compliance to Occupational Health and Safety Act, due to lack of protective clothing.	3	4	12	#Insufficient Protective clothing.	2	4	8	Minimise/ Transfer	#Source funding to purchase protective clothing (dust masks, ear protectors, safety hand gloves and working suits.) +- 100 000. #The Municipality must buy protective clothing twice a year.	30/09/2011 31/01/2012	Municipal Manager, Senior Manager Social Development, Superintended Parks and Cemeteries, Acting Supervisor Parks and Cemeteries
3	1,3,5,7	Lack of By Laws in Parks and Cemeteries.	3	5	15	#No controls in place	3	5	15	Minimise / Transfer	#Source funding to develop By Laws for Parks and Cemeteries. #Approval of the By Laws for Parks and Cemeteries by Council.	31/01/2012 28/02/2012	Council, Municipal Manager, Senior Manager Social Development, Superintended Parks and Cemeteries

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk			Evaluation before Considering Current Control Strategies				Evaluation after Considering Current Control Strategies			Risk Treatment			
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level		Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
4	2,3,7,9	Lack of parks and cemetery infrastructure (e.g. fencing, public facilities and water).	4	5	20	#Old and damaged fencing. #Old and damaged public facilities. #Old and damaged water pipes.	3	5	15	Minimise/ Transfer	#Source funding to procure new fencing for the parks and cemeteries. #Source funding to repair toilets in parks and cemeteries. #Source funding to repair water pipes. (Business plan for MIG funds)	30/09/2011 30/09/2011 30/11/2011	Municipal Manager, Senior Manager Social Development, Superintended Parks and Cemeteries,
5	1,3,9	The Municipal Cemetery is unable to handle the capacity of burials for the increasing population of Lydenburg.	4	4	16	# Insufficient space in the cemeteries.	3	4	12	Minimise / Transfer	#The Municipality must allocate land next year 2012 for parks and cemeteries. #Source funding to put the infrastructure in the new parks and cemeteries.	31/12/2012 28/02/2012	Council, Municipal Manager, Senior Manager Social Development, Superintended Parks and Cemeteries
6	3	Lack of electronic system to record burials.	2	5	10	#Manual recording of burials by the Social Development Secretary.	1	5	5	Minimise / Transfer	#All burials after they are recorded manually. They should be recorded electronically (excel) by the Superintended parks and cemeteries as to check the statistics of burials.	31/08/2011	Senior Manager Social Development, Superintended Parks and Cemeteries

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
7	3,	Lack of communication from the Top management to the subordinate division resulting to silo operations.	3	5	15	#Submit monthly reports to the Senior Manager Social Development.	2	5	10	Minimise / Transfer	# Establish divisional bi-weekly meeting between the Senior Manager Social Development and all Superintended /Managers. ## Responses / Recommendation from the Senior Manager Social Development on monthly reports submitted.	31/07/2011 31/07/2011	Senior Manager Social Development, Superintended Parks and Cemeteries, Acting Supervisor Parks and Cemeteries

4.3. Electrical Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,3,8	Lack of human capital in Fire, Rescue and Disaster Management Division.	4	5	20	#Proposed Organogram # 2011/2012 Budget includes 16 Fire and Rescue Officers.	3	5	15	Minimise/ Transfer	# Approval of the Organogram by the Council. #Appointment of the 16 Fire and Rescue Officers for Lydenburg, Graskop, Sabie and Pilgrimsrest.	31/07/2011	Council, Municipal Manager, Senior Manager Social Development Senior Manager Corporate Services, HR Manager, Disaster Manager
2	3,8	Lack of capacity and skills for Fire, Rescue and Disaster Management due to lack of training.	3	5	15	No controls in place.	3	5	15	Minimise/ Transfer	#Conduct Skills Audit and Needs Analysis. #Recommendation of training requirements. #Report on Work Place Skills Plan should be developed.	31/08/2011 31/08/2011 30/09/2011	Council, Municipal Manager, Senior Manager Social Development, Senior Manager Corporate Services, HR Manager, Disaster Manager

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
3	1,3,7,9	Lack of backup systems (e.g generator) may result to loss of Municipal information due to electricity failures.	3	4	12	No controls in place.	3	4	12	Minimise / Transfer	# Source funding to procure a backup energy generator from Local Municipality or District Municipality). +- R 150 000.	31/08/2011	Municipal Manager, Senior Manager Social Development, Senior Manager Technical Services, Disaster Manager
4	2,3,7,9	Ineffective turnaround time in responding to accident scene due to old fleet and non maintenance of vehicles.	4	5	20	#The current vehicle used to respond to accidents are not maintained and therefore they are very slow.. # Rescue vehicle #5 Fire trucks (old vehicles) (Lydenburg, Graskop and Sabie)	3	5	15	Minimise/ Transfer	#Source funding to maintain the current vehicles for Fire and Rescue.+- R200 000 (Business plan to the to the District Municipality). #Source funding to purchase 3 Fire and Rescue Trucks for Lydenburg, Graskop and Sabie. (Business Plans to the Dept of Human Settlement) +- 10.5 million.	31/08/2011	Municipal Manager, Senior Manager Social Development, Senior Manager Technical Services, Disaster Manager
5	2,3,7	Non compliance to the Fire, Rescue and Disaster Management Act due to non maintenance of fire extinguishers. (Municipality paid 350 000 fine for 3 years = >R 1. million for non	3	5	15	#275 Fire Extinguishers for Lydenburg, Graskop and Sabie.	2	5	10	Minimise/ Transfer	#Source funding to service fire extinguishers +- R 300 000.(Local Municipality and District Municipality) #These extinguishers should be serviced before end of October if not a fine will be	31/08/2011 01/10/2011	Municipal Manager, Senior Manager Social Development, Senior Manager Technical Services,

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
		compliance to the Labour Dept for not maintaining fire extinguishers)									charged by Dept of Labour.		Disaster Manager
6	1,2,3,	Non alignment of the Disaster Management Plan and Policy to the IDP and current activities of the Municipality. Lack of emergency plan and contingency plan.	3	5	15	#Outdated Disaster Management Plan and Policy. #Outdated emergency plan and contingency plan.	2	5	10	Minimise/ Transfer	#Review and update the Disaster Management Plan and Policy, emergency plan and contingency plan. #Approval of the Disaster Management Plan and Policy, emergency plan and contingency plan by Council. #The Disaster Management Plan and Policy will be aligned to the IDP.	31/07/2011 01/11/2011 2011/2012	Municipal Manager, Senior Manager Social Development , Senior Manager Technical Services, IDP Manager, Disaster Manager
7	1,3,	Lack of By Laws in the Fire, Rescue and Disaster Management Division.	3	5	15	#Outdated By Laws for Fire, Rescue and Disaster.	2	5	10	Minimise/ Transfer	#Review and update By Laws for Fire, Rescue and Disaster. #Approval of the By Laws for Fire, Rescue and Disaster by Council.	31/07/2011 01/11/2011	Municipal Manager, Senior Manager Social Development , Senior Manager Technical Services, Disaster Manager

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
8	1,3,7,	Lack of funds to maintain the current equipments. Lack of fund to procure equipments for Fire, Rescue and Disaster Division. (Forms, spillages, tents, blankets, fire breaks and loud hailer).	2	5	10	No controls in place	2	5	10	Minimise / Transfer	# To include these equipments (e.g forms, spillages, tents , blankets, fire breaks and loud hailer) +- R 300 000 during budget review for Fire, Rescue and Disaster. # If the Municipality is unable to purchase then will source funding to the District.	31/01/2012	Senior Manager Social Development, Disaster Manager
9	3,7	Non compliance to Health and Safety Act, due to lack of protective clothing.	3	5	15	#Current protective clothing for Disaster Unit was bought in 2006. (Old protective clothing)	2	5	10	Minimise/ Transfer	# To include protective clothing during budget reviewed for Fire, Rescue and Disaster.(+-200 000) # If the Municipality is unable to purchase then will source funding to the District.	31/01/2012	Senior Manager Social Development, Disaster Manager
10	1,7	Insufficient space to accommodate community at the Disaster Centre when disaster occurs.	2	3	6	# Lydenburg hall is used when disaster occurs.	1	3	3	Tolerate			Municipal Manager, Senior Manager Social Development , Senior Manager Technical Services, Disaster Manager

Risk			Evaluation before Considering Current Control Strategies				Evaluation after Considering Current Control Strategies			Risk Treatment			
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level		Action Plan/ Recommendations on the Way Forward	Implementation date	
No.	RC	Risk Description				Key Management Controls in Place				Minimise/ Transfer/ Tolerate			Risk Owners
11	3,7	Lack of community awareness campaigns on Fire, Rescue and Disaster Management.	2	4	8	#Previous year the District Municipality assisted in conducting the community awareness campaign on Fire and Disaster issues. (One campaign conducted).	1	4	4	Minimise/ Transfer	# To request assistance to the District Municipality to conduct other campaigns.	1/10/2011	Disaster Manager, Other external stakeholders.

4.4 License Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,3,7,9	Inadequate resources to deliver the services efficiently in the Licensing Department. (e.g. stationery, telephones, internet, cartridges).	3	4	12	No controls in place	3	4	12	Minimise/ Transfer	#To source funding to procure stationery and cartridges. #ICT Service provider to install internet and telephones.	30/06/2011 31/07/2011	Senior Manager Corporate Services, ICT Service Provider Senior Manager Social Development
2	1,2,3,4,7,9	Failure to pay 80% of license fees over to the Dept of Roads and Transport by the Municipality resulting to loss of credibility or the license department may be taken over by Province.	5	5	25	National Road Traffic Act	5	5	25	Minimise / Transfer	#The Municipality should pay 80% of license fees and outstanding fees to the Province.	31/08/2011	Council, Municipal Manager,
3	1,2,3,7,9	Failure to upgrade testing grounds resulting to the suspension of testing grounds, test of motor vehicles, learners and drivers licenses.	3	5	15	National Road Traffic Act	3	5	15	Minimise / Transfer	#To source funding to upgrade testing grounds to comply with the NRTA. (Municipality)	31/11/2011	Senior Manager Social Development, Chief Licensing Officer

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
4	2,3,	Non compliance to the National Archive and Record Management resulting to loss of information.	3	3	9	#Manual filling system	2	3	6	Tolerate	<input type="checkbox"/>	<input type="checkbox"/>	Senior Manager Social Development, Chief Licensing Officer
5	1,2,8	Lack of human capital in the License Division resulting to the Division not achieving its objectives.	4	5	20	#Proposed Oorganogram #Post for the Chief Licensing Officer and Supervisor are advertised.	3	4	12	Minimise / Transfer	#Appointment of the Chief Licensing Officer and Supervisor.	30/09/2011	Municipal Manager, Senior Manager Corporate Services, Senior Manager Social Development, Chief Licensing Officer
6	2,3,4	Absence of License policies and procedures.	4	5	20	#Outdated License policies and procedures. #NRTA	3	4	12	Minimise / Transfer	#Workshop the License policy and procedures. #Implementation of the License policies and procedures.	30/09/2011 31/10/2011	Municipal Manager, Senior Manager Social Development, Chief Licensing Officer
7	1,2,3, 9	Ineffective monitoring of license issuing may result to fraudulent activities.	5	5	25	#Outdated License policies and procedures.	4	5	20	Minimise / Transfer	#Workshop the License policy and procedures. #Implementation of the License policies and procedures.	30/09/2011 31/10/2011 31/11/2011	Municipal Manager, Senior Manager Social Development,

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment Minimise/ Transfer/ Tolerate	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
											#Reinstallation of cameras at license testing station. (DLT'S).		Chief Licensing Officer

4.5 Traffic Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	2,3,	Inaccurate writing of traffic fines which may lead to the withdrawal of fines by the court.	2	4	8	# Completion of S56 traffic books by Traffic Officers. A #charge sheet which has charge codes, regulations and sections of the National Road Traffic Act. #If a mistake is committed by a Traffic Officer, they are called for Counseling. (nothing is documented)	1	4	4	Minimise/ Transfer/	# Source funding to take Traffic Officers for refresher courses on the National Road Traffic Act and the Criminal Procedure Act. (MIG funds) # Requested budget for Traffic Officers to be trained as Examiners for motor vehicles and learner's and driver's licenses.	2012/2013 30/09/2011	Council, Municipal Manager, Senior Manager Social Development, Senior Manager Corporate Services, HR Manager, Deputy Chief Traffic
2	1,3,8	Lack of human capital in the Traffic Division resulting to the Division not achieving its objectives.	3	5	15	#Two positions for Traffic Officers have been advertised. #Proposed Organogram	2	5	10	Minimise/ Transfer/	#Approval of the proposed organogram by Council. #Appointment of the 2 Traffic Officers by August 2011. # Appointment for another 2 Traffic Officers.	31/07/2001 01/08/2011 01/10/2011	Council, Municipal Manager, Senior Manager Social Development, Senior Manager Corporate Services, HR Manager, Deputy Chief Traffic
3	3,8	Lack of training for the Traffic Officer may result in officer's losing	3	4	12	No controls in place	3	4	12	Minimise / Transfer	# Source funding to take Traffic Officers for refresher courses on the	2012/2013 30/09/2011 31/08/2011	Council, Municipal Manager,

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk			Evaluation before Considering Current Control Strategies				Evaluation after Considering Current Control Strategies			Risk Treatment			
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
No.	RC	Risk Description				Key Management Controls in Place				Minimise/ Transfer/ Tolerate	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
		cases.									National Road Traffic Act and the Criminal Procedure Act. # Requested budget for Traffic Officers to be trained as Examiners for motor vehicles and learner's and driver's licenses #Conduct Skills Audit and Needs Analysis. #Recommendation of training requirements. #Report on Work Place Skills Plan should be developed.	31/08/2011 30/09/2011	Senior Manager Social Development, Senior Manager Corporate Services, HR Manager, Deputy Chief Traffic
4	3,	Failure to attend court cases for traffic fines resulting to loss of revenue by the Municipality.	3	4	12	# Receive telephone calls from the Magistrate court for Traffic Officers to attend court cases. # Magistrate office fax correspondence to the Traffic Division. # Traffic Officers take control documents and the National Road Traffic Act when attending court cases. #Traffic Division receives a court roll from the Magistrate Court. #Verbal agreement between the Magistrate Court and Traffic Division is that traffic fines should not be	2	4	8	Tolerate		Ongoing	Senior Manager Social Development, Deputy Chief Traffic

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
						cancelled without notifying the Traffic Division. # 14 days after the court date if the offenders did not pay on time , then a warrant of arrest is signed by the Magistrate and Traffic execute the warrant of arrest.							
5	3,7,9	Ineffective turnaround time in responding to accident scene due to shortage and non maintenance of equipments (e.g. blue lights and sirens).	3	4	12	# Budget includes the purchase of blue lights and sirens.	2	4	8	Minimise / Transfer	#Source funding to purchase blue lights and sirens. +- R 150 0000. (MIG funds) Prepare business plan to the Dept of Roads and Traffic. # To source funding to	31/08/2011 31/08/2011	Senior Manager Social Development, Deputy Chief Traffic

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
											purchase road block trailers and two way radios. (MIG funds) +- 150 000		
6	3,9	Possible bribery and corruption by Traffic Officers which may result to loss of revenue.	2	4	8	# HR Policies (Disciplinary policy and code of conduct). #Monthly meetings with Traffic Officers.(minutes)	1	4	4	Tolerate		Ongoing	Senior Manager Social Development, Deputy Chief Traffic
7	1,3,7,9	Lack of funds to pay overtime to the Traffic Officers resulting to Officers not performing their duties adequately.	4	5	20	#Traffic Officers report at the control room when they are on duty for overtime. (Occurrence book is signed) #Traffic Officers are given IR numbers when they knock off duty. # Insufficient budget for overtime.	3	5	15	Minimise/ Transfer	#To recommend increase of overtime budget during adjustment budget.	31/01/2012	Senior Manager Social Development, Deputy Chief Traffic
8	3,7,9	Possibility of mismanagement of funds on insurance claims. (e.g. replace road traffic signs and robots)	3	3	9	No controls in place	3	3	9	Minimise/ Transfer	# Funds received for Traffic infrastructure should be strictly utilised for the Division. # Source funding to replace road traffic signs and robots. (MIG Funds)	31/08/2011	Municipal Manager, CFO, Senior Manager Social Development, Deputy Chief Traffic

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk			Evaluation before Considering Current Control Strategies				Evaluation after Considering Current Control Strategies			Risk Treatment			
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level		Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
9	1,3,7, 9	Lack of funds to purchase S56 books (tickets) resulted to the Traffic Officers unable to issue fines to offenders which leads loss of revenue.	3	5	15	#Budget includes all resources for the Traffic Division e.g S56 books.	2	5	10	Minimise/ Transfer	#The Municipality should ensure that they purchase Traffic books to avoid loss of revenue from traffic fines.	31/08/2011	Municipal Manager, CFO, Senior Manager Social Development, Deputy Chief Traffic
10	3,	Over Reduction of fines by the Prosecutors may result to loss of revenue.	3	4	12	#Verbal agreement between the Magistrate Court and Traffic Division is that traffic fines should not be reduced without notifying the Traffic Division.	2	4	8	Tolerate		Ongoing	Senior Manager Social Development, Deputy Chief Traffic
11		Lack of documented policies and procedures in the Traffic Division.	3	5	15	#National Road Traffic Act #Outdated policies and procedures for the Traffic Division.	2	5	10	Minimise/ Transfer	#Review and update policies and procedures for the Traffic Division. #Approval of the policies and procedures by Council.	30/09/2011 01/11/2011	Council, Municipal Manager, Senior Manager Social Development, Deputy Chief Traffic

4.6 Business Licensing Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,3,8	Lack of human capital in the Business Licensing Division resulting to the Division not achieving its objectives.	3	4	12	No controls in place	3	4	12	Minimise/ Transfer	#The following positions should be included in the organogram: -Appointment of the Secretary in Lydenburg for Business Licensing. #Approval of the Organogram by Council. #The division should transferred to LED Division.	31/07/2011 31/07/2011 31/07/2011	Council, Municipal Manger, Senior Manager Social Development, Business License Officer
2	3,8	Lack of capacity and skilled personnel in the Business Licensing Division. Lack of relevant training in the Business Licensing Division.	3	4	12	No controls in place	3	4	12	Minimise/ Transfer	#Conduct Skills Audit and Needs Analysis. #Recommendation of training requirements. #Report on Work Place Skills Plan should be developed.	31/08/2011 31/08/2011 30/09/2011	Council, Municipal Manager, Senior Manager Social Development, Senior Manager Corporate Services, HR Manager, Business License Officer
3	1,2,3, 5	Non compliance to Business and Informal Traders Act due to lack of Informal Trader By-Laws.	3	5	15	#Outdated Informal Trader By Laws.	3	5	15	Minimise / Transfer	#Review and update To Informal Traders By Laws. #Approval of the Informal Trader By	01/10/2011 15/11/2011	Council, Municipal Manager, Senior Manager

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
		Lack of policies and procedures.									Laws by the Council.		Social Development, Business License Officer
4	3,	Lack of internal communication in Social Development Division.	3	5	15	Submit monthly reports to the Senior Manager Social Development.	2	5	10	Minimise	#Bi-weekly meeting with the Business Licensing Officer. # Responses / Recommendation from the Senior Manager Social Development on monthly reports submitted.	15/07/2011 15/07/2011	Senior Manager Social Development, Business License Officer
5	1,3,7	Lack of funds to build markets and stores for the Informal Traders.	3	5	15	No controls in place	3	5	15	Minimise/ Transfer	#To source funding to build markets and stores for the Informal Traders. +- R 500 000. (Lydenburg, Graskop and Sabie) (Develop Business [plan for the Dept of Economic Dev and Tourism])	30/09/2011	Municipal Manager Senior Manager, Social Development, Business License Officer
6	3,9	Failure to inspect designated areas of informal traders may result to illegal trading.	3	4	12	#Monthly inspections	2	4	8	Tolerate			Senior Manager, Social Development, Business License Officer

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk			Evaluation before Considering Current Control Strategies				Evaluation after Considering Current Control Strategies			Risk Treatment			
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level		Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
No.	RC	Risk Description				Key Management Controls in Place				Minimise/ Transfer/ Tolerate			
7	1,3,7, 9	Failure to set up demarcated areas for Informal Traders resulting to Informal Traders operating in restricted areas. Lack of land to accommodate Informal Traders.	3	5	15	No controls in place.	3	5	15	Minimise/ Transfer	#To source funding to develop Informal Traders Bi Laws. #Approval of the Informal Trader Bi Laws by the Council.. # Municipality should allocate land for the Informal Traders.	01/10/2011 15/11/2011	Council, Municipal Manager, Senior Manager Social Development, Business License Officer

4.7 Sports, Arts and Culture Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,3,8	Lack of human Capital in the Sports, Arts and Culture Division resulting to the division not achieving its objectives.	4	5	20	No controls in place.	4	5	20	Minimise/ Transfer	#The following positions should be included in the organogram: -Appointment of the Coordinators for Lydenburg, Graskop and Matibite. -Appointment of the Secretary for the Division. #Appointment of 2 General Workers for the maintenance of Sports and multipurpose facilities. #Approval of the Organogram by Council.	2012/2013 2012/2013	Council, Municipal Manager, Senior Manager Social Development, Manager Sports, Arts and Culture
2	3,8	Lack of capacity and skilled personnel in the Sports, Arts and Culture Division. Lack of relevant training in the Business Licensing Division.	3	5	15	Attendance of event and facility management workshops offered by the Provincial Department.	2	5	10	Minimise/ Transfer	#Conduct Skills Audit and Needs Analysis. #Recommendation of training requirements. #Report on Work Place Skills Plan should be developed.	31/08/2011 31/08/2011 30/09/2011	Council, Municipal Manager, Senior Manager Social Development, Senior Manager Corporate Services, HR Manager, Manager Sports, Arts and Culture

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
3	1,2,3,	Non compliance to the National Sports Act and National Arts and Culture Act due to lack of By Laws.	3	5	15	No controls in place.	3	5	15	Minimise/ Transfer	#To source funding to develop Sports, Arts and Culture By Laws. (MIG funds) #Approval of Sports, Arts and Culture By Laws by the Council. (Business plan to source funding , MIG funds) #Source funding to develop policies and procedures for the Sports, Arts and Culture Division. #Approval of the policies and procedures for the Sports, Arts and Culture Division by Council.	30/09/2011 28/02/2012 30/09/2011 28/02/2012	Municipal Manager, Senior Manager Social Development, Manager Sports, Arts and Culture
4	1,7,9	Insufficient sports and cultural facilities in rural areas.	3	5	15	Leroro and Moremela have soccer facilities.	2	5	10	Minimise/ Transfer	# To source funding to build soccer facility in Matibidi.(Business plan to source funding from the Dept of Sports , arts and culture). # To source funding to build netball courts, tennis courts and rugby and cricket fields.	30/09/2011 30/09/2011	Municipal Manager, Senior Manager Social Development, Manager Sports, Arts and Culture
5	1,3,7, 9	Poor maintenance of the existing Sports, Arts and Culture facilities.	3	5	15	No controls in place.	3	5	15	Minimise/ Transfer	#Develop a maintenance plan for all Sports, Arts and Culture facilities.(Lydenburg, Graskop and Sabie) #Source funding to be able to maintain all Sports, Arts and Culture facilities. (Business plan , MIG funds)	30/09/2011 30/09/2011	Municipal Manager, Senior Manager Social Development, Manager Sports, Arts and Culture

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk			Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
No.	RC	Risk Description											
6	3,7	Shortage of resources (e.g. equipments) for the multipurpose sport centre. Lack of resources (e.g. computers, internet connection).	3	5	15	No controls in place	3	5	15	Minimise/ Transfer	#Source funding to purchase equipment for multipurpose sport centre. (Business plan, MIG funds) # Source funding to purchase a computer and also implement internet connection. (MIG Funds)	30/09/2011 30/09/2011	Municipal Manager, Senior Manager Social Development, Manager Sports, Arts and Culture
7	1,3,7, 9	Inability to implement programmes requested by Province due to lack of funds. Lack of funds to manage Sports, Arts and Culture Division	3	4	12	No controls in place	3	4	12	Minimise/ Transfer	# Source funding for SALGA games. (Business plan, MIG funds) #Source funding to maintain existing facilities and repairs.(Business plan, MIG funds)	30/09/2011 30/09/2011	Municipal Manager, Senior Manager Social Development, Manager Sports, Arts and Culture
8	3,	Lack of internal communication in Social Development Division.	2	5	10	No controls in place	2	5	10	Minimise/ Transfer	#Bi-weekly meeting with the Sports, Arts and Culture Division. #Submission of monthly reports. # Responses / Recommendation from the Senior Manager Social Development on monthly reports submitted.	15/07/2011 31/07/2011	Senior Manager Social Development, Manager Sports, Arts and Culture

4.7 Museum Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls In Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	2,4,5,7,9	Failure to replace the thatch roof in the museum may lead to possible fire which may result to loss of collection.	4	3	12	#In case of fire the Fire, Rescue and Disaster Unit they will help during fire. #Museum Curator joined the Local Business Chamber to help in developing business plan to source funding to replace the Thatch roof.	3	3	9	Minimise/ Transfer/	#Source funding to replace the thatching roof with more suitable roof material. (Develop Business plan to the private sources.) #Renovations in the museum is done by the private sources.(Group 5)	2011/2012 27/06/2011	Municipal Manager, Senior Manager Social Development Museum Curator
2	2,4,5,7,9	Non compliance to Occupational Health and Safety Act, due to lack of budget allocation to maintain fire extinguishers. Lack of emergency evacuations, dangerous chemicals, fire hazards, safety signs.	4	3	12	No controls in place	4	3	12	Minimise/ Transfer	#Source funding to service fire extinguishers +- R 300 000.(Local Municipality and District Municipality) #These extinguishers should be serviced before end of October if not a fine will be charged by Dept of Labour.	31/08/2011 01/10/2011	Municipal Manager, Senior Manager Social Development Senior Manager Technical Services, Disaster Manager
3	2,4,5,7,9	Non compliance to the National Archive Act, due to lack of budget allocation for pests control which may lead to the collection and archive damage.	3	3	9	#The Museum Curator uses his private money to buy pesticides to control pests in the Museum.	2	3	6	Minimise / Transfer	#Budget should include pests control and prevention.(Budget review)	31/01/2012	Senior Manager Social Development Museum Curator

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
4	3,7,9	Lack of comprehensive security in the Museum may result to unauthorised access and damage or loss of Museum collections.	3	4	12	# Issued a tender for comprehensive security for the whole Thaba Chweu.	2	4	8	Minimise/ Transfer	#The Security tender is at the adjudication stage .Awaiting approval.		Municipal Manager, Senior Manager Social Development SCM Adjudication Committee,
5	3,8	Lack of continuous training in the Museum Division.	3	5	15	No controls in place	3	5	15	Minimise / Transfer	#Conduct Skills Audit and Needs Analysis. #Recommendation of training requirements. #Report on Work Place Skills Plan should be developed. #Budget should include training.	31/08/2011 31/08/2011 30/09/2011 31/01/2012	Council, Municipal Manager, Senior Manager Social Development , Senior Manager Corporate Services, HR Manager, Museum Curator
6	3,,7,8	Lack of funds to market the museum.(e.g. brochures, town maps)	3	4	12	#Website developed by an Independent consultant. #Budget includes website maintenance.	2	4	8	Minimise / Transfer	# Continuous maintenance of the Website. #Frequent addition of new information. #To include marketing materials during budget review.	Ongoing Ongoing 31/01/2012	Municipal Manager, Senior Manager Social Development Museum Curator

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residu- al Risk Level				
7	3	Insufficient space to accommodate additional collections result in loss of opportunity for revenue collection.	3	3	9	#There is an agreement between the Group 5 and Municipality, to upgrade and renovate the museum.	2	3	6	Minimise / Transfer	#Implement the agreement between Group5 and Municipality and ensure that the Museum is upgraded and renovated.	Jan-11	Municipal Manager, Senior Manager Social Development, Museum Curator
8	3,4,5,7	Lack of communication resources (e.g. internet, fax, computer) resulting to the Division not archiving its objectives or negative impact on service delivery. Absence of backup system resulting to loss of Museum or business information due to lack of mainframe.	3	5	15	#The Museum Curator is using his private computer and internet. #Museum Curator uses his private external drive to back up information.	2	5	10	Minimise / Transfer	# Source funding to purchase computer and 3G. (Municipality) #ICT Service provider to connect telephones and internet at the Museum. #ICT Service provider to backup all museum information on the server.	31/08/2011 31/08/2011	Senior Manager Social Development, Museum Curator, ICT Service provider
9	2,3,5,7,9	Lack of funds for the maintenance of the museum (outside exhibits, gardens and grounds). Lack of funds to maintain and acquire proper climate control devices.	3	4	12	#There is an agreement between the Group 5 and Municipality, to upgrade and renovate the museum.	2	4	8	Minimise / Transfer	#Source funding for the maintenance of the museum and also to acquire proper climate control devices. (Business plans to Group 5 and other private institutions.)	31/08/2011	Municipal Manager, Senior Manager Social Development, Museum Curator

4.8 Library Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,3,8	Lack of human capital in the Library Division resulting in the Division not achieving its objectives.	4	5	20	#Proposed Organogram #The budget covers one position of the Librarian.	3	5	15	Minimise/ Transfer/	#Approval of the Organogram by the Council. #Appointment of the Librarian. #Appointment of the Head of Libraries.	31/07/2011 31/08/2011 31/12/2011	Council, Municipal Manager, Senior Manager Corporate Services, HR Manager, Senior Manager Social Development
2	3,8	Lack of capacity and skilled personnel in the Library Division. Lack of relevant training in the Library.	3	5	15	No controls in place	3	5	15	Minimise/ Transfer/	#Conduct Skills Audit and Needs Analysis. #Recommendation of training requirements. #Report on Work Place Skills Plan should be developed.	31/08/2011 31/08/2011 30/09/2011	Council, Municipal Manager, Senior Manager Corporate Services, HR Manager, Senior Manager Social Development
3	3,7,	Lack of resources (e.g scanners, fax machine, telephones, book tags and colour photocopiers) resulting to the Division not achieving its objectives.	3	5	15	#Issue membership cards #Daily statistics register for issued and returned books.(manual system) #Stamp the	2	5	10	Minimise/ Transfer/	#Source funding to purchase all resource for the Library (e.g scanners, fax machine, telephones, book tags and colour photocopiers). # To source funding for the security system to	31/07/2011 30/09/2011 31/01/2012	Municipal Manager, Senior Manager Social Development, Librarian

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
		Lack of resources (vehicle) to enhance marketing for the Library.				books,CD's and magazines when issued. # Black and white photocopier.					monitor information material from leaving the library. #To source funding to purchase the Library vehicle. #To source to install electronic system in the Library		
4	1,3,9	Insufficient space or study area to accommodate students in the Library.	3	5	15	Insufficient space available	2	5	10	Minimise/ Transfer/	#Municipality to lease or rent another place for the Library. #Expansion of Graskop Library.	2012/2013 2012/2013	Council, Municipal Manager, Senior Manager Social Development
5	1,3,9	Failure to install internet on current computers resulting to unutilised computers in the Library.	3	5	15	#Computers were bought by the Province.	2	5	10	Minimise/ Transfer/	#ICT to install network points in the Library for internet access.	31/07/2011	Municipal Manager, ICT Service provider, Senior Manager Social Development, Librarian
6	3,7	Possibility of mismanagement of funds allocated by other stakeholders to fully resource the Library.	3	4	12	No controls in place	3	4	12	Minimise/ Transfer/	#Budget allocated to Library infrastructure should be strictly utilised for the library.	1/8/2011	Municipal Manager, ICT Service provider, Senior Manager Social Development, Librarian

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
7	2,3,5,7	Library may not be compliant with current standards of public libraries e.g. internet facilities, library software's for research purposes, book availabilities, DVDs, social activities,	2	5	10	No controls in place	2	5	10	Minimise/ Transfer/	# To source funding to procure (e.g. internet facilities, library software's for research purposes, book availabilities,DVDs,social activities,) in order to comply with current standards of public libraries.	31/01/2012	Municipal Manager, ICT Service provider, Senior Manager Social Development, Librarian
8	2,3,7,9	Non compliance to Health and Safety Act, Change of building structure due to the walls cracking and sinking floors.	3	5	15	No controls in place	3	5	15	Minimise/ Transfer/	#Reconstruct Library buildings in Lydenburg and Sabie. #Build a new Library in Mashishing.	2012/2013	Council, Municipal Manager, Senior Manager Social Development
9	3,	Lack of internal communication in Social Development Department.	2	5	10	No controls in place	2	5	10	Minimise/ Transfer/	#Bi-weekly meeting with all Librarians / Assistant Librarians from all Libraries.	15/07/2011	Senior Manager Social Development
10	3,	Lack of Library policies and procedures.	3	5	15	Outdated Library policies and procedures.	2	4	8	Minimise/ Transfer/	#Review and update Library policies and procedures. #Approval of the Library policies and procedures by Council.	30/09/2011 01/11/2011	Council, Municipal Manager, Senior Manager Social Development, Librarian

Appendix B: Risk Registers: Support Service Departments

1. Finance Department

1.1 Revenue Division Risk Register

Risk	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
1	1,3,5,8	Lack of human capital (critical positions) in the Revenue Division resulting to the Division not achieving its objectives.	4	5	20	#Proposed Organogram #Budgeted for the following positions : -Accountant -Senior Cashier -Credit Controller -Cashier -Indigent Clerk	3	5	15	Minimise/ Transfer	#Approval of the Organogram by the Council. #Appointment of the following positions: -Accountant -Senior Cashier -Credit Controller -Cashier -Indigent Clerk	1/7/2011	Council, Municipal Manager, Director Corporate Services, CFO, Revenue Manager
2	3,5,9	Insufficient training on the financial system (SEBATA) resulting to late reporting.	3	4	12	#Identification of skills and training was completed.	3	3	9	Minimise/ Transfer	#Revenue staff should be training on SABATA. #Implementation of the skills and training programmes. #A comprehensive Skills Audit must be performed.	31/08/2011 31/08/2011 30/09/2011	Municipal Manager, Director Corporate Services, CFO, Revenue Manager
3	3,7,9	Shortage of resources (computers, printers, cartridges) resulting in delays in printing accounts and submitting accounts for services provided by the Municipality.	4	4	16	#Current printers lack cartridges.	3	4	12	Minimise/ Transfer	#Source funding to buy cartridges for all printers for billing purposes (e.g. sending statements for services rendered by the Municipality).	31/08/2011	Municipal Manager, CFO, Revenue Manager

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk			Evaluation before Considering Current Control Strategies				Evaluation after Considering Current Control Strategies			Risk Treatment			
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
No.	RC	Risk Description	Impact	Likeli- hood	Inherent Risk Level	Key Management Controls In Place	Impact	Likeli- hood	Residual Risk Level	Minimise/ Transfer/ Tolerate	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
4	1,2,3,	Lack of office space and ergonomics.	3	5	15	#Revenue staff sharing offices.	2	5	10	Minimise/ Transfer	#Send memo requesting - renting of office premises.	30/09/2011	Municipal Manager, CFO, Revenue Manager
5	1,3,5,8,9	Lack of segregation of duties in the Revenue Division.	4	5	20	#Assistant Accountant also doing Indigent Clerk duties and Credit Controller duties.. #Intern perform duties for the Senior Cashier. #Assistant Accounts perform Accountants duties.	3	5	15	Minimise/ Transfer	#Approval of the Organogram by the Council. #Appointment of the following positions: -Accountant -Senior Cashier -Credit Controller -Cashier -Indigent Clerk	1/7/2011	Municipal Manager, Director Corporate Services, CFO, Revenue Manager
6	1,3,4,7,9	Lack of equipments (e.g water meters, electricity meters, cables, fittings ,valves, etc) due to unavailability of cash flow which results to loss of revenue.	4	5	20	#Budget available however no cash flow available to fund the projects.	3	5	15	Minimise/ Transfer	#Source funding to buy water meters, electricity meters, cables, fittings, valves ,etc.	31/08/2011	Municipal Manager, Director Technical Services, CFO, Revenue Manager
7	1,3,7,9	Failure to replace faulty meters resulting to incomplete reports and loss of revenue	3	4	12	#Budget available however no cash flow available to fund the projects.	3	4	12	Minimise/ Transfer	#Source funding to buy water meters, electricity meters, cables, fittings, valves, etc.	31/08/2011	Municipal Manager, Director Technical Services, CFO, Revenue Manager

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
8	1,3,7,9	Failure to install new meters (water, electricity) to the community resulting to loss of revenue.	3	5	15	#Budget available however no cash flow available to fund the projects.	3	5	15	Minimise/ Transfer	#Source funding to buy water meters, electricity meters, cables, fittings, valves, etc.	31/08/2011	Municipal Manager, Director Technical Services, CFO, Revenue Manager
9	3,4,7,9	Incorrect meter reading resulting to loss of income. Failure to raise accounts for all services rendered by the Council due to meters not read.	4	4	16	#The SEBATA system will give the average usage of electricity or water and the system gives the following reports: -Interim readings -Estimate readings Finance meter readers	3	4	12	Minimise/ Transfer	#Technical Department should clean the meters, uplift the meters and move the meters outside the yards for the Finance meter readers.	31/08/2011	Municipal Manager, Director Technical Services, CFO, Revenue Manager
10	1,2,3,4,5,9	Lack of policies and procedures in the revenue division.	4	4	16	#Indigent Policy #Indigent Credit Control Policy #Municipal Property rates policy (not reviewed in the current financial year) #Tariff policy (not reviewed in the current financial year)	3	3	9	Minimise/ Transfer	#Review and update Municipal Property rates policy and the Tariff policy. #Approval of the Municipal Property rates policy and Tariff policy by the Council.	1/10/2011	Municipal Manager, CFO, Revenue Manager

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
11	1,3,8,9	Change management leading to poor communication and silo operation	4	5	20	No controls in place	4	5	20	Minimise / Transfer	#Develop Retention Strategy. #Hand over process (Succession planning). #Approval of the Retention Strategy and Succession plan.	2012/2013 2012/2013	Council, Municipal Manager, Director Corporate Services, CFO,

1.2 Budget and Financial Management Divisions Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	2,3,	Inaccurate information from the SEBATA due to the trial balance not balancing resulting to delays in submitting S71 reports to National and Provincial Treasury.	4	4	16	# In preparation of S71 reports the following should be considered: -Capture journals before month end. -Trial balance should be accurate by month end -Creditors age analysis -Debtors age analysis Cashflow statement -Projects for income and expenditure -Income and expenditure grants #S71 reports are submitted to Provincial and National Treasury by the 10th of each month, also quarterly and annual reports.	3	4	12	Minimise/ Transfer/	#Journals and all financial entries should be captured by month end in order for the S71 reports to be submitted on time. #S71 reports to be submitted to Provincial and National Treasury by the 10th of each month, also quarterly and annual reports.	30/06/2011 Ongoing	CFO, Reporting Officer, PMU Manager, Revenue Manager, Accountant
2	2,3	Failure to receive financial information from creditors, revenue and PMU resulting to late submission of financial reports.	4	4	16	# In preparation of S71 reports the following should be considered: Capture journals before month end. Trial balance should be accurate by month end Creditors age analysis Debtors age analysis Cash flow statement	3	4	12	Minimise/ Transfer	#Journals and all financial entries should be captured by month end in order for the S71 reports to be submitted on time. #S71 reports to be submitted to Provincial and	30/06/2011 Ongoing	CFO, Reporting Officer, PMU Manager, Revenue Manager, Accountant

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
						Projects for income and expenditure Income and expenditure grants #S71 reports are submitted to Provincial and National Treasury by the 10th of each month, quarterly and annual reports.					National Treasury by the 10th of each month, quarterly and annual reports		
3	3	Insufficient training on National Treasury return forms for both budget and Actuals for monthly reporting resulting to inaccurate financial reporting.	3	5	15	No controls in place	3	5	15	Minimise/ Transfer	#Budget staff should be training on S71 reporting. #Implementation of the skills and training programmes. #A comprehensive Skills Audit must be performed.	31/10/2011	CFO, Senior Manager Corporate Service, HR Manager
4	1,3	Lack of backup system for all the financial reports.	5	5	25	#The Financial Reporting Officer use CD's to backup all financial reports on a monthly basis. #CD's are kept in the office of other Financial Reporting Officer. #Internal Backup server for financial system.	4	5	20	Minimise/ Transfer	#Backup system for all financial reports by ICT. #Off site backup. #Offsite backup for SEBATA (Diginet lines). # Backup financial information on a daily basis and also on a monthly basis with the internal server for financial system.	1/8/2011	CFO, Senior Manager Corporate Services, System Administrator

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
5	1,2,3,5	Lack of Financial Policies for financial statements and Budget Implementation plan.	4	5	20	#MFMA #Municipal Systems Act	3	5	15	Minimise / Transfer	#Develop Financial Policy. #Develop a Budget Implementation Plan. #Approval of the Financial Policy and Budget Implementation Plan by the Council..	30/09/2011 30/09/2011 01/11/2011 30/11/2011	Council, Municipal Manager, CFO
6	1,3,5	Lack of financial programmes to assist in generating financial reports, financial statements and budget.	5	5	25	SEBATA financial system	4	5	20	Minimise / Transfer	To source funding for the financial programmes e.g. caseware which will assist in generating financial reports and budget also assist in preparation of financial statements.	31/01/2012	Municipal Manager, CFO
7	2,3,5	Inability to submit electronic reports to National Treasury due to financial system failures.	3	4	12	No controls in place	3	4	12	Minimise / Transfer	To source funding and purchase laptops and 3G's for the Budget Division for purposes of financial reporting.	31/10/2011	Municipal Manager, CFO
8	1,3,8	Lack of human capital in the Budget and Treasury Unit resulting to the following: Reports not reviewed. No hand over	5	5	25	#Proposed organogram #Budgeted for the appointment of the Budget Manager and CFO.	4	5	20	Minimise/ Transfer	#Approval of the proposed organogram. #Appointment of the Budget Manager and CFO.	31/07/2011 30/09/2011	Municipal Manager, CFO, Senior Manager Corporate Services, HR Manager

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
		process (succession plan)											
9	1,3,4,9	Lack of investment policies and procedures. #Investment register not developed.	4	5	20	No controls in place	4	5	20	Minimise / Transfer	#Develop an Investment policy and procedures. #Develop investment register. #Approval of the investment policy and procedures by the Council.	30/09/2011 30/09/2011 31/10/2011	Council, Municipal Manager, CFO
12	1,3,4,9	Failure to account on loans due to not having the loan registers.	4	5	20	No controls in place	4	5	20	Minimise / Transfer	#Develop a Loan policy and procedures. #Develop a loan register. #Approval of the Loan policy by Council.	30/09/2011	Council, Municipal Manager, CFO

1.3 Supply Chain Management Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	3,8	Lack of trained human resources in the SCM which may impact negatively on service delivery.	3	5	15	#Identification of training needs. #Update with applicable prescripts and SCM legislation and Treasury guidelines.	2	5	10	Minimise/ Transfer/	#Source funding for SCM training. #A letter was submitted to the Dept of Finance in the Provincial Office requesting formal training and facilitation.	31/07/2011 24/06/2011	CFO, Senior Manager Corporate Services, HR Manager, Assistant Manager SCM
2	2,3,5	Failure to consult budget officer before procuring which may lead to the municipality exceeding budget limits.	4	4	16	#Outdated SCM policy #Budget Officer	3	4	12	Minimise/ Transfer/	#Send a memo to all Departments notifying them to confirm budget availability before procuring. #Review and update the SCM policy. #Develop SCM procedures. #Approval of the SCM policy by the Council #Workshop SCM policy to all staff.	30/06/2011 30/09/2011 30/09/2011 01/11/2011 30/11/2011	Council, Municipal Manager, CFO, Assistant Manager SCM

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
3	2,3,5	Ineffective bid committees (specification, evaluation and adjudication) resulting to non-compliance when awarding tenders	3	4	12	#Outdated SCM policy #Evaluation Committee established. #Adjudication Committee established.	2	4	8	Minimise/ Transfer/	#Assistant Manager SCM to write a memo to the Municipal Manager for the appointment of the Specification Committee. #Appointment of the Specification Committee by the Municipal Manager. #Review and update the SCM policy. #Develop SCM procedures. #Approval of the SCM policy by the Council #Workshop SCM policy to all staff.	10/06/2011 31/07/2011 30/09/2011 30/09/2011 01/11/2011 30/11/2011	Municipal Manager, CFO, Assistant Manager SCM
4	1,3,5,	Lack of approved Supply Chain Management Policy resulting to mismanagement of funds. Lack of internal controls and procedure manuals for SCM, resulting to mismanagement of funds.	3	5	15	#SCM policy was approved in 2005.	2	5	10	Minimise/ Transfer/	#Review and update the SCM policy. #Develop SCM procedures. #Approval of the SCM policy and procedures by the Council #Workshop SCM policy to all staff.	30/09/2011 30/09/2011 01/11/2011 30/11/2011	Council, Municipal Manager, CFO, Assistant Manager SCM
5	3,5	Failure to follow proper channels and compliance with SCM by other departments will result to the	4	5	20	#Decentralised procurement	3	5	15	Minimise/ Transfer/	#Centralised the procurement processes by appointing the SCM staff. #Develop a Supplier Database.	1/6/2011 31/08/2011	Council, Municipal Manager, CFO, Assistant Manager

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
		Municipality incurring unknown debts and expenses.									#Approval of the Supplier Database by Council		SCM
6	1,3,8,,9	Lack of human capital in the inventory Section.	5	5	25	#Proposed Organogram	4	5	20	Minimise / Transfer	#Proposed Organogram must be approved by Council. #Appointment of the Stores Officer.	31/07/2011 31/12/2011	Municipal Manager, CFO, Assistant Manager SCM
7	3,8	Lack of proper storage system which is easily accessible in the Stores Section	4	5	20	#SEBATA stock list however is not linked to the shelves.	3	5	15	Minimise / Transfer	#Updating the data in the SEBATA system using the labels to be provided by the consultants #Appointing a store officer to oversee the stock processes	31/11/2011 31/12/2011	Municipal Manager, CFO, Assistant Manager SCM
8	3,8	Inefficient stock control system (e.g issuing and receiving of inventory) resulting to stock loss and inaccurate balances.	4	5	20	#Requisition Books filled by the various departments #Stock Counts	3	5	15	Minimise / Transfer	#Develop a Stock Control Procedure Manual # Developing an Inventory Management Policy #Approval of the Inventory Management Policy #Monthly stock takings	31/11/2011	Municipal Manager, CFO, Assistant Manager SCM
9	2,3,6,8	Lack of proper controls on logistic management.	4	5	20	No controls in place	4	5	20	Minimise / Transfer	#Develop a Stock Control Procedure Manual # Developing an Inventory Management Policy	31/11/2011	Municipal Manager, CFO, Assistant Manager SCM

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
10	1,3,4	Ineffective financial system at the Inventory Section. Absence of backup system (including offsite server) in the Inventory section resulting to loss of Municipal business information due to viruses or computer crush.	4	5	20	#SEBATA financial system	3	5	15	Minimise / Transfer	# Installation of separate small server specifically for inventory at the store	31/10/2011	Municipal Manager, CFO, Assistant Manager SCM
11	2,3,5,8	Lack of updated Asset Register may result to inaccurate balance of Assets	4	5	20	#Created a file for all Additions for the current financial year 2011/2012	3	5	15	Minimise / Transfer	#Completion of the Asset Register. #Developing an Asset Management Policy #Approval of the Asset Management Policy #Physical verification of assets	31/03/2012 31/11/2011 28/02/2012 Ongoing	Council Municipal Manager, CFO, Assistant Manager SCM
12	1,3,8	Lack of Asset Management Unit.	4	5	20	#Proposed Organogram	4	5	20	Minimise / Transfer	#Establishment of the Asset Management Unit #Appointment of Asset Management Official	31/03/2012 31/03/2012	Council Municipal Manager, CFO, Assistant Manager SCM

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
13	3,4,8	Theft and Losses of assets due to lack of monitoring.	5	5	25	#Interns assisted in performing physical verification.	3	5	15	Minimise / Transfer	#Developing an Asset Management Policy and Procedures. #Approval of the Asset Management Policy and procedures.	31/11/2011 28/02/2012	Council Municipal Manager, CFO, Assistant Manager SCM
14	1,3,5,8	Lack of Asset Management Policy and procedures (Including disposal and depreciation	4	5	20	No controls in place	4	5	20	Minimise / Transfer	#Developing an Asset Management Policy and Procedures. #Approval of the Asset Management Policy and procedures.	31/11/2011 28/02/2012	Council Municipal Manager, CFO, Assistant Manager SCM
15	3,8	Lack of monthly reconciliations between the GL and Asset Register which may lead to over/under statement of asset balances	5	5	25	No controls in place	5	5	25	Minimise / Transfer	#Completion of the Asset Register. #Developing an Asset Management Policy #Approval of the Asset Management Policy #Physical verification of assets. #Appointment of the Asset Management Official.	31/03/2012 31/11/2011 28/02/2012 Ongoing 31/03/2012	Council Municipal Manager, CFO, Assistant Manager SCM

1.4 Expenditure (Creditors) Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,2,3,4,7,9	Non compliance to the MFMA Section 65, resulting to municipality not meeting repayment deadlines.	5	5	25	#Draft Expenditure policy and procedures. #MFMA #Insufficient Municipal Cash Flow	5	5	25	Minimise/ Transfer	#Approval of the Expenditure policy and procedures by the Council. #Workshop the Expenditure policy to the staff. #Compliance to Sec 65 of the MFMA. #Enhancement of the Municipal cash flow.(Revenue Enhancement Strategy)	01/11/2011 30/11/2011 Ongoing 30/09/2011	Council, Municipal Manager, CFO, Revenue Manager, Expenditure Accountant
2	1,3,8,9	Lack of human capital (CFO, and Expenditure manager) ,resulting to non monitoring and supervision of work done in Expenditure Division.	5	5	25	#Proposed Organogram #CFO and Expenditure Manager pots are budgeted for 2011/2012 budget.	4	5	20	Minimise/ Transfer	#Approval of the proposed Organogram. #Appointment of the CFO and Expenditure Manager.	01/11/2011 01/09/2011	Council, Municipal Manager, Senior Manager Corporate Services
3	1,3,7,9	Failure to pay service providers on time resulting to Municipality incurring interests. (e.g Eskom).	4	5	20	#MFMA #Basic Conditions of employment Act # Insufficient Municipal Cash Flow	4	5	20	Minimise/ Transfer	#Enhancement of the Municipal cash flow. (Revenue Enhancement Strategy)	30/09/2011	Council, Municipal Manager, CFO, Revenue Manager

**THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011**

4	2,3,5,	Inaccurate financial system (SEBATA), resulting to loss of information and duplication of information.	4	4	16	#SEBATA #MFMA	3	4	12	Minimise/ Transfer	#Source funding to train the newly appointed staff on SEBATA. #Offsite backup on financial systems in cases of loss of information.	01/08/2011 31/07/2011	Municipal Manager, CFO, Corporate Service Director
5	1,3,4,7,9	Failure to pay service providers which may result to the attachment of municipal property.	3	4	12	#MFMA #Draft Expenditure Policy #Municipal Cash Flow	2	4	8	Minimise/ Transfer	#Enhancement of the Municipal cash flow. (Revenue Enhancement Strategy)	30/09/2011	Council, Municipal Manager, CFO, Revenue Manager
6	2,3,5,	Incorrect posting of transactions to ledger and control votes resulting to in balance of the GL.	3	5	15	#SEBATA #Monthly reconciliations between the Control votes and the GL. #MFMA	2	5	10	Minimise/ Transfer	#Source funding to train the newly appointed staff on SEBATA. #Service provider (SEBATA) to develop and workshop financial system procedure manual.	1/8/2011 30/8/2011	Council, Municipal Manager, CFO, Revenue Manager

2. Corporate Services Support Services

2.1 Human Resources Division Risk Register

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
1	1,3,8,9	Lack of retention strategy for skilled personnel may result in high levels of employee turnover in relation to critical skills and remuneration levels.	5	5	25	No controls in place	5	5	25	Minimise/ Transfer	#Source funding to develop a Retention Strategy (internally and externally) #Approval of the Retention Strategy by Council. #Implementation of the Retention Strategy.	28/02/2012 31/05/2012 01/07/2012	Council, Municipal Manager, Senior Manager Corporate Services, HR Manager
2	1,3,7,9	Insufficient Budget for training resulting to inadequate training of personnel of the Municipality.	5	5	25	#Insufficient budget #Insufficient Cash flow	5	5	25	Minimise/ Transfer	#Source funding from Donors (SETA) and DBSA for training. (Develop Business plan)	30/09/2011	Municipal Manager, Senior Manager Corporate Services, HR Manager
3	1,2,3,4,5	Non compliance to the Labour Act due to excessive overtime payment (above 40 hours).	5	5	25	#Basic Conditions of Employment Act #Bargaining Council #Senior Managers approve overtime.	4	5	20	Minimise/ Transfer	#The MM should send an email to Senior Managers notifying them not to approve overtime more than 40 hours. #Develop an Overtime policy and procedures. #Approval of the Overtime Policy by Council. #Workshop the policy and procedures.	31/07/2011 30/09/2011 15/11/2011 15/12/2011	Council, Municipal Manager, CFO Senior Manager Corporate Services, HR Manager

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
4	1,2,3,4,5	Non compliance to the Labour Act due to payment of overtime to personnel above the threshold.	4	5	20	#Basic Conditions of Employment Act #Bargaining Council #Senior Managers approve overtime.	4	4	16	Minimise/ Transfer	#The MM should send an email to Senior Managers notifying them not to approve overtime more than the required threshold. #Develop an Overtime policy and procedures. #Approval of the Overtime Policy by Council. #Workshop the policy and procedures.	31/07/2011 30/09/2011 15/11/2011 15/12/2011	Council, Municipal Manager, CFO Senior Manager Corporate Services, HR Manager
5	2,3	Lack of electronic central leave system resulting to inaccurate leave records. Inaccurate information from SEBATA resulting to leave not balancing.	5	5	25	#Manual leave system (Pre numbered leave books.) #SEBATA (Incorrect information from the SEBATA)	4	5	20	Minimise/ Transfer	#Source funding for a Human Resource system from Municipal System Improvement Grant.(Develop a Business plan) #Request SEBATA to customise the system for Human Resource information.(Write a letter)	30/09/2011 31/07/2011	Municipal Manager, CFO Senior Manager Corporate Services, HR Manager
6	1,2,3,4,9	Non Compliance to Occupational Health and Safety Act.	5	5	25	No controls in place.	5	5	25	Minimise/ Transfer	#Appointment of the Safety Officer. #Establishment of the OHS Committee. #Appointment of Safety Reps. #No budget to appoint the Safety Officer. The HR Officer budget will be utilised to appoint the Safety Officer.	1/10/2011 31/11/2011 31/11/2011 01/10/2011	Municipal Manager, Senior Manager Corporate Services, HR Manager

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
7	1,2,3,8,9	No hand over process in place in the whole Municipality (Succession planning)	5	5	25	No controls in place.	5	5	25	Minimise/ Transfer	# Develop handover process and procedures for the Municipality. #Approval of the handover processes and procedures by Council. #Develop Succession plan. #Approval of the Succession plan by Council.	30/09/2011 15/11/2011 31/08/2012 15/11/2012	Council, Municipal Manager, CFO Senior Manager Corporate Services, HR Manager
8	1,2,3,8,9	Unfunded and unfilled posts within the current Thaba Chweu. organogram results in the Thaba Chweu not achieving certain of its operational and strategic objectives	4	5	20	#Insufficient Budget and cash flow. #Approved organogram	3	4	12	Minimise/ Transfer	#Develop a Revenue Enhancement Strategy. #Approval of the Revenue Enhancement Strategy.	30/09/2011 15/11/2011	Council, Municipal Manager, CFO Senior Manager Corporate Services, Revenue Manager
9	1,2,3,8,9	Absence of Human Resources Strategic Plan.	5	5	25	#Outdated HR Strategic Plan.	4	5	20	Minimise/ Transfer	#Review and update the HR Strategic Plan. #Approval of the HR Strategic Plan.	31/01/2012 28/02/2012	Council, Municipal Manager, Senior Manager Corporate Services, HR Manager

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan/ Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
10	1,3,9	Inadequate Office Space and training venue.	5	5	25	#Insufficient office space.	5	5	25	Minimise/ Transfer	#Proper planning on how to maximise the existing office space.	01/08/2011	Municipal Manager, Senior Manager Corporate Services, HR Manager
11	1,2,3,9	Lack of proper Employment Equity Plan.	5	5	25	#Outdated Employment Equity Plan.	4	5	20	Minimise/ Transfer	#Review and update the Employment Equity Plan. #Approval of the Employment Equity Plan by Council.	15/09/2011 01/10/2011	Council, Municipal Manager, Senior Manager Corporate Services, HR Manager
12	1,2,3,9	Lack of operational procedure manuals in the Municipality resulting in difficulty to win cases during disciplinary hearings and service delivery.	5	5	25	#HR Procedure Manual.	5	5	25	Minimise/ Transfer	#Source funding to develop Operational Procedure Manuals for all business units. (Municipal System Grant and DBSA).	30/09/2011	Municipal Manager, Senior Manager Corporate Services, HR Manager

2.2 Communication and Technology Division (ICT) Risk Register

Risk	No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan /Recommendations on the Way Forward	Implementation date	Risk Owners
				Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
	1	1,3,5,9	Lack of updated ICT policies and procedures in line with current ICT activities.	4	5	20	Outdated ICT policies and procedures	3	5	15	Minimise/ Transfer	#Review and update the ICT policy and procedures. #Approval of the ICT policy by the Council. #Workshop the ICT policy.	30/09/2011 01/11/2011 30/11/2011	Council, Municipal Manager, Director Corporate Services, System Administrator
	2	3,5,	Lack of restrictive measures in accessing internet.	3	5	15	Outdated internet policy.	2	5	10	Minimise/ Transfer	#To develop a plan to access internet sites. #Review and update internet policy. #Approval of the internet policy. #Workshop of the internet policy	31/07/2011 30/09/2011 01/11/2011 30/11/2011	Council, Municipal Manager, Director Corporate Services, ICT Service Provider System Administrator
	3	3,5	Lack of restrictive measures in making telephone calls.	3	5	15	Outdated Telephone policy	2	5	10	Minimise/ Transfer	#Review and update telephone policy. #Approval of the telephone policy by Council. #Workshop telephone policy to staff.	31/07/2011 30/09/2011 01/11/2011 30/11/2011	Council, Municipal Manager, Director Corporate Services, ICT Service Provider System Administrator
	4	1,3,5,6,9	Lack of an ICT operational plan consisting of network layout diagrams and desktop support plan,	4	4	16	Operational plan for the first phase of the ICT projects.	3	4	12	Minimise/ Transfer	# The Municipality in conjunction with SITA will develop the operational plan. in conjunction with the Municipality	31/07/2011	Municipal Manager, Director Corporate Services,

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk			Evaluation before Considering Current Control Strategies				Evaluation after Considering Current Control Strategies			Risk Treatment			
No.	RC	Risk Description	Impact	Likeli- hood	Inherent Risk Level	Key Management Controls in Place	Impact	Likeli- hood	Residual Risk Level	Minimise/ Transfer Tolerate	Action Plan /Recommendations on the Way Forward	Implementation date	Risk Owners
		ect.									#The plan must be implemented by the service provider for the next phases of the ICT projects.		ICT Service Provider System Administrator
5	1,3,5,8	Lack of induction programmes on ICT programmes.	3	4	12	The induction programmes for the Municipality do not include the ICT programmes.	2	4	8	Minimise/ Transfer	#Induction programmes should include ICT programmes.	31/11/2011	Director Corporate Services, HR Manager System Administrator
6	3,5,	No follow on ICT critical issues by management resulting to misuse of ICT resources.	4	4	16	Standing item on ICT issues in management meetings.	3	4	12	Minimise/ Transfer	#Implementation of the decisions taken by the management.	31/07/2011	Municipal Manager, Director Corporate Services, All Senior Managers
7	3	Turnaround time of helpdesk support result to late responses to ICT logs or faults.	4	5	20	Service provider implemented the helpdesk support.	3	4	12	Minimise/ Transfer	#The Municipality should appoint a Helpdesk Officer. #Budget review to include Helpdesk Officer.	2012/2013	Municipal Manager, Director Corporate Services, CFO

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk			Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan /Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likeli- hood	Inherent Risk Level		Impact	Likeli- hood	Residual Risk Level				
No.	RC	Risk Description	Impact	Likeli- hood	Inherent Risk Level	Key Management Controls in Place	Impact	Likeli- hood	Residual Risk Level	Minimise/ Transfer Tolerate	Action Plan /Recommendations on the Way Forward	Implementation date	Risk Owners
8	1,3,4,9	The current contract with the ICT service provider is not addressing most of the current needs of the Municipality.	4	5	20	#SLA between the Municipality and ICT service provider. #Telephone system #Networking #Maintenance and support #Desktop Support #Internet	3	5	15	Minimise/ Transfer	#Monitoring performance of the ICT service provider. # Needs analysis report #Service provider to be trained on the financial system (SEBATA).	01/08/2011	Municipal Manager, Director Corporate Services, CFO
9	3,6,	The disaster recovery plan is not in line with the current ICT service provider operations.	5	5	25	Outdated disaster recovery plan.	5	5	25	Minimise/ Transfer	# The ICT service provider must review and update the disaster recovery plan to be in line with the current ICT activities. #Approval of the Disaster Recovery plan by Council.	30/09/2011 01/11/2011	Municipal Manager, Director Corporate Services, CFO, ICT Service Provider System Administrator
10	1,3,8	Shortage of skilled personnel in the ICT division resulting to the division not achieving its objectives.	4	4	16	Proposed Organogram ICT Service provider System Administrator	3	4	12	Minimise/ Transfer	#Service provider to appoint 2 Technicians #Appointment of the ICT Manager. (Not yet budgeted)	31/07/2011	Municipal Manager, Director Corporate Services, ICT Service Provider CFO,

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan /Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
11	1,3,6	The Municipal servers are not utilised by the current ICT service provider result to wasteful expenditure.	5	5	25	# Currently utilising the ICT Service provider servers. # For finance systems currently utilising Municipality server.	4	5	20	Minimise/ Transfer	#Engage with the ICT service providers to utilise the Municipality servers. #Reinstall the ADSL line router with SEBATA for the offsite backups. # ICT service provider to install the backup server at the Disaster Centre to cater for all Municipal systems. (Including Graskop and Sabie).	31/07/2011	Municipal Manager, Director Corporate Services, ICT Service Provider CFO,
12	1,3,8	No handover process in place in the ICT division.(Succession plan).	5	5	25	Proposed Organogram System Administrator	4	5	20	Minimise/ Transfer	#Approval of the proposed organogram by Council. #Appointment of the Senior Manager Corporate Service and the CFO. #Appointment of the ICT Manager. (No budget)	31/07/2011 31/07/2011	Municipal Manager, Council
13	1,3,	Lack of centralised server for the whole Municipality may result to loss of information.(mainframe)	5	5	25	No controls in place. #Some Managers have private external hard drives.	5	5	25	Minimise / Transfer	# ICT Service Provider should connect all business units of the Municipality to the centralised server to backup information.(Mainframe)	31/08/2011	Senior Manager Corporate Services, ICT Service Provider

THABA CHWEU
RISK ASSESSMENT REPORT
JULY 2011

Risk No.	RC	Risk Description	Evaluation before Considering Current Control Strategies			Key Management Controls in Place	Evaluation after Considering Current Control Strategies			Risk Treatment	Action Plan /Recommendations on the Way Forward	Implementation date	Risk Owners
			Impact	Likelihood	Inherent Risk Level		Impact	Likelihood	Residual Risk Level				
14	1,3	Absence of backup system (including offsite server) resulting to loss of Municipal business information due to viruses or computer crush.	5	5	25	# ICT Service provider servers. # For finance systems currently utilising Municipality server.	4	5	20	Minimise / Transfer	#Reinstall the ADSL line router with SEBATA for the offsite backups. # ICT service provider to install the backup server (offsite Server) at the Disaster Centre to cater for all Municipal systems. (Including Graskop and Sabie).	31/07/2011	Senior Manager Corporate Services, ICT Service Provider
15	1,3,7	Lack of ICT resources by Municipal Business Units (e.g. internet connections, telephones)	3	5	15	#The main building of the municipality is connected to the internet. #Telephone are connected in the Municipal main building.	2	5	10	Minimise / Transfer	# ICT Service Provider to install internet and telephones at the Library, Museum, Sabie, Graskop Offices, Technical Division Building, Waste and Refusal Division etc.	31/07/2011	Senior Manager Corporate Services, ICT Service Provider

Appendix C: Explanation of Abbreviations

The explanation of the abbreviations used within this report is provided in alphabetical order below:

No	Abbreviation	Explanation of Abbreviation
1	MM	Municipal Manager
2	CFO	Chief Financial Officer
3	FP	Fraud Prevention
4	HR	Human Resources
5	ICT	Information Communication and Technology
6	IT	Information Technology
7	OHS	Occupational Health and Safety
8	MFMA	Municipal Finance and Management Act
9	RC	Risk Category
10	SCFM	Supply Chain and Finance Manager
11	TR	Treasury Regulations
12	RMSF	Risk Management Strategy Framework

CHAPTER 5

FUNCTIONAL SERVICE DELIVERY REPORTING

OVERVIEW

The strategic goals and objectives of the Thaba Chweu Local Municipality based on the following legislative framework.

- * The Systems Act no 32 of 2000
- * The Municipal Structures Act No 117 of 1998
- * The Municipal Financial Management Act no 56 of 2003
- * The Constitution of Republic of South Africa 1996

THABA CHWEU MUNICIPALITY GENERAL INFORMATION			
Reporting Level	Detail	Total	
Overview:		Information Chapter 1	
Information:			
1	Geography: Geographical area in square kilometers Note: Indicate source of information	6034	WSDP
2	Demography: Total population	81 240	WSDP
3	Indigent Population Note: Indicate source of information and define basis of indigent policy including	78,363	WSDP & Indigent registration

	definition of indigent		
4	Total number of voters	41 869	
5	Aged breakdown: - 65 years and over - between 40 and 64 years - between 15 and 39 years - 14 years and under Source of information	4% 19% 43% 34%	IDP
6	Household income: - over R3,499 per month - between R2,500 and R3,499 per month - between R1,100 and R2,499 per month - under R1,100 per month Note: Indicate source of information	14% 13% 23% 50%	WSDP

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
		No Performance Management System during Financial year 2011/2012	

Function:	Finance and Administration		
Sub Function:	Finance		
Reporting Level	Detail	Total	
Overview:	Includes all activities relating to the finance function of the municipality.		
Description of the Activity:	<p>The function of finance within the municipality is administered as follows and includes:</p> <p><i>Utilize the funds according to the MFMA</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Comply with all financial legislation.</i></p> <p>The key issues for 2011/12 are:</p> <p><i>To lower bad debt</i></p>		
Analysis of the Function: 1	<p>Debtor billings: number and value of monthly billings:</p> <p>Water</p> <p>Electricity</p> <p>Sewerage</p> <p>Rates</p> <p>Refuse</p> <p>- Number and amount billed each month across debtors by function (e.g.: water, electricity etc)</p>	R 15874	<p>R (000s)</p> <p>R27307397.44</p> <p>R19232615.43</p> <p>R8297294.6</p> <p>R13464756.27</p> <p>R3096923.09</p>
	<p>Debtor collections: value of amount received and interest:</p> <p>Water</p> <p>Electricity</p> <p>Sewerage</p> <p>Rates</p> <p>Refuse</p>	R (000s)	<p>R (000s)</p> <p>R16 635 314</p> <p>R39 986 397</p> <p>R7 735 667</p> <p>R22 374 208</p> <p>R6 900 455</p>

	- Value received from monthly billings each month and interest from the previous month across debtors by function (e.g.: water, electricity etc)		
3	<p>Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days:</p> <p>Water</p> <p>30 days</p> <p>60 days</p> <p>90 days</p> <p>120+ days</p> <p>Electricity</p> <p>30 days</p> <p>60 days</p> <p>90 days</p> <p>120 plus days</p> <p>Sewerage</p> <p>30 days</p> <p>60 days</p> <p>90 days</p> <p>120 plus days</p> <p>Rates</p> <p>30 days</p> <p>60 days</p> <p>90 days</p> <p>120+ days</p>	<i>R (000s)</i>	<p><i>R 3968978.37</i></p> <p><i>R 778340.12</i></p> <p><i>R 1235172.74</i></p> <p><i>R 846144.68</i></p> <p><i>R1270248.49</i></p> <p><i>R 739460.74</i></p> <p><i>R 951101.52</i></p> <p><i>R733695.93</i></p> <p><i>R328274.93</i></p> <p><i>R 384617.25</i></p> <p><i>R 250945.16</i></p> <p><i>R 306509.85</i></p> <p><i>R1056490.27</i></p> <p><i>R 870435.85</i></p> <p><i>R 841026.85</i></p> <p><i>R791563.55</i></p>

	Refuse 30 days 60 days 90 days 120+ days Note: create a suitable table to reflect debts outstanding over 30, 60, 90 and 120 plus days across debtors by function		<i>R 282672.09</i> <i>R 22309.73</i> <i>R 203420.86</i> <i>R156041.55</i>
4	Write off of debts: number and value of debts written off: - Total debts written off each month across debtors by function (e.g.: water, electricity etc) Note: create a suitable table to reflect write offs each month across debtors by function	0	<i>R (000s)</i> 0
5	Property rates (Residential): - Number and value of properties rated (Land) - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year	10958	<i>R (000s)</i> <i>R2 668 266 768</i>

Reporting Level	Detail	Total	<i>R (000s)</i>
6	Property rates (Commercial): - Number and value of properties rated - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year	15874 0 0	<i>R1 262 538 232</i>
7	Regional Service Council (RSC) levies: - Number and value of returns - Total Establishment levy - Total Services levy - Levies collected for the current year	0	<i>R (000s)</i>

8	Property valuation: - Year of last valuation Regularity of valuation		2July2009 Every 4th year
9	Indigent Policy: - Quantity (number of households affected) - Quantum (total value across municipality)	3053	
10	Creditor Payments:	R (000s)	2092
11	Credit Rating: List here whether your Council has a credit rating, what it is, from whom it was provided and when it was last updated	R (000s)	
12	External Loans: - Total loans received and paid during the year Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan,	R (000s) 0	R (000s) 0
13	Delayed and Default Payments:	R(000s)	

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
		No Performance Management System during Financial year 2011/12	

Function:	Finance and Administration
Sub Function:	Human Resources

Reporting Level	Detail	Total	
Overview:	Includes all activities relating to the human resource management function of the municipality including recruitment, selection and induction - also performance management systems, code of conduct detail and decision making systems. Note: Read in conjunct	Refer to Chapter 2	
Description of the Activity:	<p>The function of human resource management within the municipality is administered as follows and includes:</p> <p><i>Learnership Programme, Selection appointment and recruitment</i></p> <p>The municipality has a mandate to:</p> <p><i>Advertise, select and to appoint</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Comply with the Systems Act</i></p> <p>The key issues for 2011/12 are:</p> <p><i>The filling of critical positions</i></p>	See Chapter 2 for information	
Analysis of the Function: 1	<p>Number and cost to employer of all municipal staff employed:</p> <ul style="list-style-type: none"> - Professional (Managerial/Specialist) - Field (Supervisory/Foremen) - Office (Clerical/Administrative) - Non-professional (blue collar, outside workforce) - Temporary Staff 	<p>475</p> <p>49</p> <p>53</p> <p>88</p> <p>69</p>	59 219 901

	<p>- Contract Staff</p> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package</p>	<p>50</p> <p>9</p>	
	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Key Performance Area		No Performance Management System during Financial year 2011/12	

Function:	Finance and Administration
Sub Function:	Other Administration (Procurement)

Reporting Level	Detail	Total	
Overview:	Includes all activities relating to overall procurement functions of the municipality including costs associated with orders, tenders, contract management etc		
Description of the Activity:	<p>The function of the finance within the municipality is administered as follows as follows and includes:</p> <p><u>Adoption of the supply Chain Management Policy</u> The revised SCM policy has been adopted by the finance committee in September 2011. It has been structured in accordance with the National Treasury Guidelines.</p> <p><u>Establishment and staffing of the SCM unit</u> The unit has been established and consist of a assistant manager, two procurement officers and store clerks</p> <p><u>Training of officials involved in the implementation of the SCM policy</u> There was training which was provided to all SCM officials and bid committees, it was held in Thaba Chweu Municipality on the 12th of July 2011 by the provincial treasury. There was also training on public private partnership which was concluded by the national treasury at DBSA. Currently SCM staff are undergoing with provincial treasury supply chain management (certificate) which is a year course</p> <p><u>Establishment of bid committees and functionality</u></p> <p>There are three bid committees established within Thaba Chweu Local Municipality and are fully functional. The committee members have attended training on SCM and bid committees in July 2011</p>		

Analysis of the Function: 1	The committees are as follows: Bid specification committee Bid evaluation committee Bid adjudication committee	6 25 25 4 weeks	as required as required as required 4 weeks
	Attendance and oversight is provided by the Municipal Manager		
	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance		
	Refer to the attached two reports		
2			

Key Performance Area		Current	Target

Function:	Planning and Development
Sub Function:	Economic Development

Reporting Level	Detail	Total	
Overview:			
Description of the Activity:	<p>The function of economic planning / development within the municipality is administered as follows and includes:</p> <p>1. <i>According to Section 152 and 153 of the Constitution (Chapter 5, Subsection 23, Municipal Systems Act, Act 32 of 2000). Each municipality is intended to reflect a "single inclusive and strategic plan for the development of the municipality which links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality" - The IDP is formulated through extensive public participation by the community.</i></p> <p>2. <i>One of the objectives of local government is to promote social and economic development through the creation of a conducive environment for economic development in order to create employment and business opportunities, attraction of investment and poverty alleviation.</i></p> <p>The municipality has a mandate to:</p> <p><i>Promote social and economic development</i></p> <p>The strategic objectives of this function are to:</p> <p>1. <i>Ensure community participation in economic processes of the municipality.</i></p>		
	2. <i>Reduce unemployment.</i>		

	<p>3. Alleviate poverty 4. Provide access to economic / business opportunities 5. Attraction of investment 6. Tourism Development and Promotion 7. SMME Development and Promotion 8. Trade and Industrial Development 9. Establish economic research</p> <p>The key issues for 2011/12 are:</p> <ul style="list-style-type: none"> ➤ LED strategy has been develop and adopted by council ➤ Thaleda has been established which will responsible for high economic impact projects. ➤ Ensure that social and economic development are prioritized within the municipal Integrated Development Plans (IDP's) ➤ IDC has funded the agency with 26 Million mainly for the establishment ➤ High impact project has been identified awaiting feasibility studies. 		
<p>Analysis of the Function: 1</p>	<p>Number and cost to employer of all economic development personnel:</p> <ul style="list-style-type: none"> - Professional (Directors / Managers) - Non-professional (Clerical / Administrative) - Temporary - Contract 	1	<p>R (000s) R 2560 0 0 0 0</p>

	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		
2	Detail and cost of incentives for business investment: <i>Land availability at market prices</i> Note: list incentives by project, with total actual cost to municipality for year		R (000s) 0
3	Detail and cost of other urban renewal strategies: <i>Industrial Development (the Pellet factory in Sabie)</i> Note: list strategies by project, with total actual cost to municipality for year		R (000s) 0
4	Detail and cost of other rural development strategies: <i>Not quantifiable</i> Note: list strategies by project, with total actual cost to municipality for year		R (000s) 0
5	Number of people employed through job creation schemes: - Short-term employment - Long-term employment Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives		
6	Number and cost to employer of all Building Inspectors employed: - Number of Building Inspectors - Temporary - Contract Note: total number to be calculated on a full-time equivalent (FTE) basis, total cost to include total salary package	2 0 0	R (000s) R 249,23 2
7	Details of building plans:		

	- Number of building plans approved - Value of building plans approved	305	839063 033
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Reporting Level	Detail	Total	
8			
	<i>MIG</i> Total value of specific planning and development grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.	1	<i>R</i> (000s) <i>R</i> 14,75 6,126

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
		No Performance Management System	

		during Financial year 2011/12	
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Function:	Health
Sub Function:	Clinics

Reporting Level	Detail	Total	
Overview:		Total function handed over to Provincial Department	
Description of the Activity:	<p>The function for the provision of community health clinics within the municipality is administered as follows and includes:</p> <p><i>Render a sustainable day to day clinic service to the community</i></p> <p>The municipality has a mandate to: Service the area of Sabie, Harmony Hill and Graskop</p> <p>The strategic objectives of this function are to:</p> <p><i>Ensure that all communities have access to basic health services</i></p> <p>The key issues for 2010/11 are:</p> <p><i>The Clinic has been handed to provincial government</i></p>		12000

Analysis of the Function: 1	<p>Number and cost to employer of all health personnel:</p> <ul style="list-style-type: none"> - Professional (Doctors/Specialists) - Professional (Nurses/Aides) - Para-professional (Clinic staff qualified) - Non-professional (Clinic staff unqualified) <p>- Temporary</p> <p>- Contract</p> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>	<p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p>	0
2	<p>Number, cost of public, private clinics servicing population:</p> <ul style="list-style-type: none"> - Public Clinics (owned by municipality) - Private Clinics (owned by private, fees based) 	<p>0</p> <p>0</p>	<p>R (000s)</p> <p>0</p> <p>0</p>
3	<p>Total annual patient head count for service provided by the municipality:</p> <ul style="list-style-type: none"> - 65 years and over - between 40 and 64 years - between 15 and 39 years - 14 years and under <p>Note: if no age range available, place to other</p>		43220
4	<p>Estimated backlog in number of and costs to build clinics:</p> <p>Total number should appear in IDP, and cost in future budgeted capital works programme</p>	provincial	<p>R (000s)</p> <p>0</p>
5	<p>Type and number of grants and subsidies received:</p> <p>Total value of specific health clinic grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec,</p>		R (000s)

6	Jan to Mar, Apr to Jun this year.		
	Total operating cost of health (clinic) function:		0

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
		No Performance Management System during Financial year 2010/11	To finalize the MOU with Provincial Health

	qualified) - Non-professional (Ambulance officers unqualified) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	0 0 0	0 0 0
2	Number and total operating cost of ambulance vehicles servicing population: - Aged less than 10 years - Aged 10 years or greater Note: this figure should be taken from the plant replacement schedule	N/A	R (000s)
3	Total annual patient head count: - 65 years and over - between 40 and 64 years - between 15 and 39 years - 14 years and under Note: list total number transported	0 0 0 0	
5	Type and number of grants and subsidies received: Note: total value of specific health ambulance grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.	0	R (000s)
6	Total operating cost of health (ambulance) function		R (000s)

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target

Function:	Community and Social Services		
Sub Function:	All inclusive		
Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of community and social services		
Description of the Activity:	<p>The function of provision of various community and social services within the municipality is administered as follows and includes:</p> <p><i>Ensure a cost effective & Professional services to the community</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Enhance the standard of service delivery on a professional basis</i></p> <p>The key issues for 2011/12 are:</p> <p><i>Improve community participation through projects and involvement</i></p>		
Analysis of the Function:			
1	<p>Nature and extent of facilities provided:</p> <ul style="list-style-type: none"> - Library services - Museums and art galleries - Other community halls/facilities - Cemeteries and crematoriums - Child care (including crèches etc) - Aged care (including aged homes, home help) - Schools - Sporting facilities (specify) 	<p><i>no of facilities:</i></p> <p>5</p> <p>1</p> <p>9</p> <p>29</p> <p>16</p> <p>6</p> <p>13</p> <p>7</p>	<p><i>no of users:</i></p> <p>±32000</p> <p>± 14000</p> <p>± 38 000</p> <p>-</p> <p>6450</p> <p>+2500</p> <p>13000</p> <p>communities</p>

2	- Parks	10 000m2	communities
	Note: the facilities figure should agree with the assets register		
	Number and cost to employer of all personnel associated with each community services function:		R(000s)
	<ul style="list-style-type: none"> - Library services - Museums and art galleries - Other community halls/facilities - Cemeteries and crematoriums - Child care - Aged care - Schools - Sporting facilities - Parks 	5 1 9 29 16 1 13 7 10 sqkm	1634472 201812 360564 1634472 0 0 0 2769275 395549
6	Total operating cost of community and social services function		6900138
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target

		No Performance Management System during Financial year 2011/12	Revise all entities to be productive and accountable in terms of service delivery
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Function: Housing Sub Function: N/A		
Reporting Level	Details	
Overview:	Includes all activities associated with provision of housing	Low cost houses and Transitional areas
Description of the Activity:	The function of provision of housing within the municipality is administered as follows and includes:	

	<p>The municipality has a mandate to:</p> <p><i>Play a huge role in housing delivery and to act as developer</i></p> <p>The strategic objectives of this function are to: <i>Rural and Urban development on integration processes</i> Key issues for 2012 <i>Informal Settlement Upgrading and Hostel Refurbishment, To complete and allocate units.</i></p>	<p>land provision, allocate sites to beneficiaries, Monitor housing projects and continually update of waiting list</p> <p>Funding of projects is released from the National Department to the Provincial Department and ultimately to the Municipalities</p>	
Analysis of the Function:			
1	<p>Number and cost of all personnel associated with provision of municipal housing:</p> <ul style="list-style-type: none"> - Professional (Architects/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract (leaner) <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Professional includes project design, Field includes all tradespersons.</p>	<p>nil</p> <p>1</p> <p>3</p> <p>2</p> <p>2</p>	R (000s)
2	<p>Number and total value of housing projects planned and current:</p> <ul style="list-style-type: none"> - Current (financial year after year reported on) 	<p>1576</p> <p>699</p>	<p>R 683,650,656</p> <p><R30410694></p>

	- Planned (future years) Note: provide total project and project value as per initial or revised budget		<i>Waiting for allocation</i>
3	Total type, number and value of housing provided: Note: total number and total value of housing provided during financial year	<u>PHP +/-</u> <u>302 X</u> <u>676CBIS</u>	<i>R 401,125,320</i>
		922	R 401,125,320
	PHP Informal Settlement	302 102	16,504,300 5574300
4	Total number and value of rent received from municipal owned rental units		<i>R (000s)</i>
5	Estimated backlog in number of (and costs to build) housing: Note: total number should appear in IDP, and cost in future budgeted capital housing programmes	13598	<i>R743,130,700</i>
6	Type of habitat breakdown: - number of people living in a house or brick structure - number of people living in a traditional dwelling - number of people living in a flat in a block of flats - number of people living in a town/cluster/semi-detached group dwelling - number of people living in an informal dwelling or shack - number of people living in a room/flat let	0 0 0 0 0	
Reporting Level	Detail	Total	

7	Type and number of grants and subsidies received:		<i>R (000s)</i>
	Total value of specific housing grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
8	Total operating cost of housing function		<i>R (000s)</i>
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target

Function: Public Safety
Sub Function: Police (Traffic)

Reporting Level	Detail	Total	
Overview:	Traffic Policing, Parking & Protection		Road Blocks, Law Enforcement, Complaints Events, CPF,AARTO, RTMC, Dept of Transport
Description of the Activity:	<p>The policing and traffic control functions of the municipality are administered as follows and include:</p> <p><i>Roadblocks</i> <i>Contact Road Blocks and Execute warrant of arrest</i></p> <p><i>Law Enforcement: is a method used by Traffic Officers to assist the public and making them aware of defects on their vehicles or transport and safe road use</i></p>		

	<p><i>Joint Projects: This is a method used by all law enforcers binding together to just change on the template.</i></p>		
	<p><i>Events: Traffic also assists in events wherever needed for example Long Tom Marathon, Sasol Rally, Paradise Rally etc.</i></p> <p><i>Complaints: Traffic Officers are always assisting public with any or all complaints regarding Traffic Legislation.</i></p> <p><i>CPF: A community Policy initiative identifying and assisting with problematic areas</i></p> <p><i>RTMC: Road Traffic Management Corporation which was established to ensure uniformed operations</i></p> <p><i>Lydenburg, Sabie & Graskop</i></p> <p><i>Mashishing, Harmony Hill, Simile, Pilgrims, Dinky, Leroro, Glory Hill, Moremela</i></p> <p><i>The strategic objectives of this function are to:</i></p> <p><i>To enhance road safety in this jurisdiction.</i></p> <p><i>The key issues for 2011/12 are:</i></p> <p><i>To ensure collective participation on road safety</i></p>		

4	response time by number of call-outs		
	Total number of targeted violations e.g.: traffic offences: <i>Traffic offences, Warrants of Arrests, Drink & Drive, Speed, law enforcement etc.</i>		
	Total number and type of emergencies leading to a loss of life or disaster: <i>Motor Vehicle Accidents</i>	20%	
	Type and number of grants and subsidies received:	Minor 730	
5	<i>Subsidies: Standby Allowance</i>		R (000s)
	<i>Housing</i>	none	0
	<i>Transport Allowance</i>	none	0
	<i>Cell Phone Allowance</i>	none	0
	Note: total value of specific public safety grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.	none	0
6	Total operating cost for Traffic for Thaba Chweu		N/A
			56 979 50
7	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance		

Key Performance Area		Current	Target
		No Performance Management System during Financial year 2011/12	Implements methods to manage & measures effectiveness

Function:	Waste Management		
Sub Function:	Solid Waste		
Reporting Level	Detail	Total	
Overview:	Includes refuse removal, solid waste disposal and landfill sites, street cleaning and recycling		
Description of the Activity:	<p>The refuse collection functions of the municipality are administered as follows and include:</p> <p><i>Service Delivery on a once a week bases for residential areas.</i></p>		

	<p><i>6 Bags per Household.</i> <i>Business Refuse Removal X2 a week</i> <i>Food Premises X5 per week</i></p> <p>These services extend to include which resides within the jurisdiction of government. The municipality has a mandate to:</p> <p><i>Render an cost effective community service.</i></p> <p>The strategic objectives of this function are to: <i>To ensure a safe and clean environment through optimization of all structures and job creation</i></p> <p>The key issues for 2011/12 are: <i>To render a professional service to all residents</i></p>		
Analysis of the Function:			
1	<p>Number and cost to employer of all personnel associated with refuse removal:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary 	<p>105</p> <p>3</p> <p>98</p> <p>0</p>	<p><i>R (000s)</i></p> <p>243 800 435448</p> <p>53180</p> <p>0</p>

	<p>- Contract</p> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>		<p>1000000 (3)Landfill site</p>
2	<p>Number of households receiving regular refuse removal services, and frequency and cost of service:</p> <ul style="list-style-type: none"> - Removed by municipality at least once a week - Removed by municipality less often - Communal refuse dump used - Own refuse dump - No rubbish disposal <p>Note: if other intervals of services are available, please provide details</p>	<p>105 000T 2000 3 3 N/A</p>	<p>R (000s) 2316707</p>
3	<p>Total and projected tonnage of all refuse disposed:</p> <ul style="list-style-type: none"> - Domestic/Commercial - Garden <p>Note: provide total tonnage for current and future years activity</p>	<p>84 000T 21 000T</p>	
4	<p>Total number, capacity and life expectancy of refuse disposal sites:</p> <ul style="list-style-type: none"> - Domestic/Commercial (number) * Graskop * Sabie * Lydenburg 	<p><lifespan> 10 years 18 months 18 months</p>	

Reporting Level	Detail	Total	
5	- Garden (number) Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period	N/A	<lifespan>
	Anticipated expansion of refuse removal service: - Domestic/Commercial - Garden Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality	2000 5000	R (000s) 79 000
6	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household) Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.	None None None	
7	Total operating cost of solid waste management function		R 47184363

Function:	Waste Water Management		
Sub Function:	Sewerage etc		
Reporting Level	Detail	Total	Cost
Overview:	Includes provision of sewerage services, infrastructure and purification, also includes waterborne toilet facilities		
Description of the Activity:	<p>The sewerage functions of the municipality are administered as follows and include:</p> <p><i>Operate and maintain the existing sanitation infrastructure</i></p> <p><i>Provide new bulk sanitation infrastructure to new developments</i></p> <p><i>Implement the provision of at least a basic level of sanitation to all communities</i></p> <p>These services extend to include <i>all waterborne sanitation in the predominant urban areas</i>, but do not take account of <i>the northern rural areas</i> which reside within the jurisdiction of <i>local</i> government. The municipality has a mandate to:</p> <p><i>Extend its services to all communities, irrespective of the level of service provided.</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Provide at least a Basic Level of Service to all communities</i></p> <p>The key issues for 2011/12 were:</p> <p><i>Obtain external grant funding to meet the sanitation backlog</i></p> <p><i>Refurbish the existing sewerage purification plants in the urban towns of Lydenburg, Sabie and Graskop</i></p> <p><i>Upgrade the sewerage pump station infrastructure in Lydenburg.</i></p> <p><i>Start with the provision of basic sanitation in the rural areas</i></p>		

Analysis of the Function:			
1	Number and cost to employer of all personnel associated with sewerage functions: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration)	1 3 2	<i>R (000s)</i> <i>R 135</i> <i>R 300</i> <i>R 56</i>
2	- Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	17	<i>R 1700</i>
	Number of households with sewerage services, and type and cost of service: - Flush toilet (connected to sewerage system) and Flush toilet (with septic tank) - Chemical toilet - Pit latrine with ventilation - Pit latrine without ventilation - Bucket latrine - No toilet provision Note: if other types of services are available, please provide details	15 600 0 13 500 4 000 0 0	<i>R (000s)</i> <i>R 7 500</i> <i>R 0</i> <i>R 0</i> <i>R 0</i> <i>R 0</i> <i>R 0</i>
	Anticipated expansion of sewerage: - Flush/chemical toilet - Pit latrine - Bucket latrine - No toilet provision Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality	800 2 500 0 0	<i>R (000s)</i> <i>R 4 000</i> <i>R 12 000</i> <i>R 0</i> <i>R 0</i>
	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household)	15 600 0	<i>R</i> <i>R 0</i>
Reporting Level	Detail	Total	Cost

5	Total operating cost of sewerage function	0	R 5 100
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<i>Operations and maintenance</i> <i>Refurbishment of infrastructure</i> <i>Upgrading of existing infrastructure</i> <i>New infrastructure</i>	<i>O&M has continued as required</i> <i>A refurbishment programme been implemented</i> <i>No infrastructure has been upgraded this year due to lack of funds</i> <i>A Bulk Service Contribution Policy has been implemented</i>		

Function: Road Transport Sub Function: Roads			
Reporting Level	Detail	Total	Cost
Overview:	Construction and maintenance of roads within the municipality's jurisdiction		
Description of the Activity:	<p>The road maintenance and construction responsibilities of the municipality are administered as follows and include:</p> <p><i>Maintain the existing road infrastructure</i> <i>Refurbish existing infrastructure</i> <i>Construct new roads</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Provide and maintain a safe and effective transport system to the municipality</i></p> <p>The key issues for 2011/2012 are:</p> <p><i>Refurbishment of existing roads</i> <i>Upgrading of gravel roads</i> <i>Construction of new roads</i></p>		
Analysis of the Function: 1	<p>Number and cost to employer of all personnel associated with road maintenance and construction:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary 	<p>2</p> <p>2</p> <p>2</p> <p>16</p>	<p><i>R (000)</i> <i>R 700</i> <i>R 300</i> <i>R 56</i> <i>R2 100</i></p>

2	- Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	32	R 1000
	Total number, kilometres and total value of road projects planned and current: - New bituminised (3) - Existing re-tarred (number) - New gravel - Existing re-surfaced Note: if other types of road projects, please provide details	40,0 km 1.5 km 10km 1.8 km	R (000) 80,000 3500 0 17,450
3	Total kilometres and maintenance cost associated with existing roads provided - Tar - Gravel Note: if other types of road provided, please provide details	166,5 km 117,0km	R (000) 600 200
4	Average frequency and cost of re-tarring, re-sheeting roads - Tar - Gravel Note: based on maintenance records	n/a n/a	R (000) n/a n/a
5	Estimated backlog in number of roads, showing kilometres and capital cost - Tar - Gravel	40km 300km	R (000) 15 000 20 000

Reporting Level	Detail	Total	Cost
6	Note: total number should appear in IDP, and cost in future budgeted road construction programme		
	Type and number of grants and subsidies received:	0	R (000) R 0
	Note: total value of specific road grants actually received during year to be recorded over the five quarters - Apr to Jun this year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
7	Total operating cost of road construction and maintenance function		R 5 226

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Operations and maintenance Refurbishment of infrastructure Upgrading of existing infrastructure New infrastructure	O&M has continued as required A refurbishment programme been implemented Voortrekker rd phase 1 has been upgraded A Bulk Service Contribution Policy has been implemented		

Function: Road Transport
Sub Function: Public Buses

NOT APPLICABLE

Reporting Level	Detail	Total	Cost
Overview:	Includes all activities associated with the provision of a public bus service to the community		R (000s)
Description of the Activity:	Not applicable		
Analysis of the Function:			
1	<p>Number and cost to employer of all public bus service personnel:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen Incl inspectors) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>	<p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p>	<p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>R (000s)</p>

2	<p>Number and total operating cost of public buses servicing population:</p> <ul style="list-style-type: none"> - Aged less than 10 years - Aged 10 years or greater <p>Note: this figure should be taken from the plant replacement schedule</p>		
3	<p>Total kilometres of all buses travelled:</p> <p>Note: total number of kilometers travelled by entire fleet for year</p>	0	
4	<p>Total number of passengers:</p> <p>Note: total number of paying passengers travelling for year</p>	0 0	
5	<p>Total number of bus related complaints received:</p> <p>Total number of complaints received by paying customers for year</p>		<i>R (000s)</i>
6	Type and number of grants and subsidies received:		<i>R (000s)</i>
7	<p>Total value of specific bus transport grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year</p>		

	Total operating cost of public bus service function		
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
		No Performance Management System during Financial year 2011/12	

Function: Electricity Sub Function: Electricity Distribution			
Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of electricity		
Description of the Activity:	<p>The electricity purchase and distribution functions of the municipality are administered as follows and include:</p> <p><i>All electrical distribution is done internally by the municipality</i></p> <p><i>Technical administration of this function is done by the Department Technical & Engineering Services</i></p> <p><i>Financial administration is done by the Department of Finance</i></p> <p><i>These services extend to include the Thaba Chweu area, but do not take account of the Pilgrims Rest, Matibidi, Leroro & Moremela areas which are serviced by Eskom</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Operate and maintain all electrical distribution infrastructure</i></p> <p><i>Provide project management functions to this service</i></p> <p>The key issues for 2011/12 are:</p> <p><i>Upgrading of the electrical infrastructure</i></p> <p><i>Provision of additional bulk infrastructure to Lydenburg</i></p> <p><i>Installation of additional streetlights</i></p> <p><i>To embark on a 5 year extensive refurbishment programme</i></p> <p><i>To extend basic electrical services to all communities by 2014</i></p>		

Analysis of the Function: 1	<p>Number and cost to employer of all personnel associated with the electricity distribution function:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.</p>	<p>2</p> <p>2</p> <p>2</p> <p>16</p>	<p>R (000s)</p> <p>R 700</p> <p>R 600</p> <p>R 150</p> <p>1920</p>
2	<p>Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer</p> <ul style="list-style-type: none"> - Residential - Commercial - Industrial - Mining - Agriculture - TOTAL 	<p>205mill kWh</p>	<p>R (000s)</p> <p>76 000</p>
3	<p>Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:</p> <p><i>Lydenburg, Mashishing, Skhila, Graskop, Sabie</i></p>	<p>196 mill kWh</p>	<p>R (000s)</p> <p>66590</p> <p>551.35</p>
4	<p>Total year-to-date electricity losses in kilowatt hours and rand</p> <p><i>Thaba Chweu</i></p>	<p>9mill kWh</p>	<p>3 150</p>
5	<p>Number of households with electricity access, and type and cost of service:</p>	<p>8088</p>	<p>R (000s)</p>
Reporting Level	<p>Detail</p>	<p>Total</p>	<p>Cost</p>

	<ul style="list-style-type: none"> - Electrified areas - Municipal - Eskom 	233,000	1442
6	Number and cost of new connections:	588	R101
7	Number and cost of disconnections and reconnections	448	R101
8	Number and total value of electrification projects planned and current: <ul style="list-style-type: none"> - Current (financial year after year reported on) - Planned (future years) Note: provide total project and project value as per initial or revised budget	4 12	R (000s) 17 000 55 000
9	Anticipated expansion of electricity service: Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality	7000	R (000s) 8 000
10	Estimated backlog in number (and cost to provide) electricity connection: Note: total number should appear in IDP, and cost in future budgeted capital housing programmes	11000	R (000s) 24 000
11	Free Basic Service Provision: <ul style="list-style-type: none"> - Quantity (number of households affected) - Quantum (value to each household) Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.	8088 R 336	5 760
12	Type and number of grants and subsidies received:	N/A	R(000s)

	Note: total value of specific electricity grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		1442
13	Total operating cost of electricity distribution function		55 000
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Operations and maintenance Refurbishment of infrastructure Upgrading of existing infrastructure New infrastructure	<p><i>O&M has continued as required</i></p> <p><i>A refurbishment programme been implemented</i></p> <p><i>No infrastructure has been upgraded this year due to lack of funds</i></p> <p><i>A Bulk Service Contribution Policy has been implemented</i></p>		

Function: Electricity			
Sub Function: Street Lighting			
Reporting Level	Detail	Total	Cost
Overview:	Includes all activities associated with the provision of street lighting to the community		
Description of the Activity:	<p>Street lighting responsibilities of the municipality are administered as follows and include:</p> <p><i>All street lighting is done internally.</i></p> <p><i>Technical administration of this function is done by the Department Technical & Engineering Services</i></p> <p><i>Financial administration is done by the Department of Finance</i></p> <p><i>These services extend to include the Thaba Chweu area, but do not take account of the Pilgrims Rest areas which are serviced by the Department of Public Works</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Provide, operate and maintain all street lighting infrastructure</i></p> <p><i>Provide project management functions to this service</i></p> <p>The key issues for 2011/12 are:</p> <p><i>Upgrading and expansion of the electrical infrastructure</i></p> <p><i>Provision of additional street lighting to Mashishing and Matibidi</i></p> <p><i>To extend street lighting services to all communities by 2014</i></p>		
Analysis of the Function:			
1	<p>Number and total operating cost of streetlights servicing population:</p> <p><i>Mashishing (Lydenburg)</i></p>	829	<p><i>R (000s)</i></p> <p>140</p>

	<i>Skhila</i>	198	32
	<i>Marambane</i>	950	155
	<i>Kellysville</i>	60	10
	<i>Coromandel</i>	66	11
	<i>Graskop</i>	124	20
	<i>Gloryhill</i>	166	27
	<i>Moremela</i>	312	53
	<i>Leroro</i>	418	70
	<i>Matibidi</i>	588	95
	<i>Sabie</i>	285	47
	<i>Simile</i>	551	90
	<i>Harmony Hill</i>	96	16
	Note: total streetlights should be available from municipal inventory	4,643	756
2	Total bulk kilowatt hours consumed for street lighting:		
	<i>Mashishing (Lydenburg)</i>	250,000	
	<i>Skhila</i>	58,000	
	<i>Marambane</i>	280,000	
	<i>Kellysville</i>	18,000	
	<i>Coromandel</i>	37,000	
	<i>Graskop</i>	50,000	
	<i>Gloryhill</i>	93,000	
	<i>Moremela</i>	123,000	
	<i>Leroro</i>	121,983	
	<i>Matibidi</i>	180,000	
	<i>Sabie</i>	170,000	
	<i>Simile</i>	170,819	
	<i>Harmony Hill</i>	29,000	
	Note: total number of kilowatt hours consumed by all street lighting for year	1 580 802	474

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<i>Operations and maintenance</i> <i>Refurbishment of infrastructure</i> <i>Upgrading of existing infrastructure</i> <i>New infrastructure</i>	<i>O&M has continued as required</i> <i>A refurbishment programme been implemented</i> <i>Street lighting has been upgraded in Mashishing (Lydenburg)</i> <i>Street lighting has been extended to Moremela, Mashishing, Skhila & Moremela</i>		

Function:	Water		
Sub Function:	Water Distribution		
Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of water		
Description of the Activity:	<p>The water purchase and distribution functions of the municipality are administered as follows and include:</p> <p><i>All water distribution is done internally by the municipality</i></p> <p><i>Technical administration of this function is done by the Department Technical & Engineering Services</i></p> <p><i>Financial administration is done by the Department of Finance</i></p> <p><i>These services extend to include the Thaba Chweu area, but do not take account of the Pilgrims Rest area which resides within the jurisdiction of provincial government (Dept of Public Works)</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Operate and maintain all water resources</i></p> <p><i>Operate and maintain all water treatment infrastructure</i></p> <p><i>Operate and maintain all water distribution infrastructure</i></p> <p><i>Implement the WC/WDM strategy</i></p> <p><i>Provide project management functions to this service</i></p> <p>The key issues for 2011/12 are:</p>		
	<p><i>To embark on a 5 year extensive refurbishment programme</i></p> <p><i>To extend basic water services to all communities</i></p>		
1	Number and cost to employer of all personnel associated with the water distribution function:		<i>R (000s)</i>
	- Professional (Engineers/Consultants)	2	<i>R 700</i>
	- Field (Supervisors/Foremen)	2	<i>R300</i>
	- Office (Clerical/Administration)		

	<ul style="list-style-type: none"> - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.</p>	15	R2000
2	<p>Percentage of total water usage per month</p> <p><i>Lydenburg</i></p> <p><i>Sabie</i></p> <p><i>Graskop</i></p> <p><i>Matibidi/Leroro/Moremela</i></p>	<p>43%</p> <p>21%</p> <p>10%</p> <p>21%</p>	<p>R 359</p> <p>R 174</p> <p>R 80</p> <p>R 222</p>
3	<p>Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer</p> <p><i>Not applicable</i></p>	N/A	N/A
4	<p>Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer:</p> <p><i>Not applicable</i></p>	N/A	N/A
5	<p>Total year-to-date water losses in kilolitres and rand</p>	400 000	R 537
Reporting Level	Detail	Total	Cost
6	<p>Number of households with water service, and type and cost of service:</p> <ul style="list-style-type: none"> - Piped water inside dwelling 	4,900	<p>R (000s)</p> <p>R 10,000</p>
	<ul style="list-style-type: none"> - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling - Piped water on community stand: distance > 200m 	<p>6500</p> <p>1600</p> <p>400</p>	<p>R 8000</p> <p>R1200</p> <p>R 200</p>

	from dwelling		
	- Borehole	75,000	R 0
	- Spring	1200	R 0
	- Rain-water tank	0	R 0
	Note: if other types of services are available, please provide details	n/a	0
7	Number and cost of new connections:		R (000s)
	Number and cost of disconnections and reconnections:	448	101
8	Number and total value of water projects planned and current:	685	R58
9	- Current (financial year after year reported on)		R (000s)
	- Planned (future years)	2	R 10 000
	Note: provide total project and project value as per initial or revised budget	3	R 350,000
10	Anticipated expansion of water service:		
	- Piped water inside dwelling		R (000s)
	- Piped water inside yard	3,000	R 85,000
	- Piped water on community stand: distance < 200m from dwelling	1000	R 1,600
	- Piped water on community stand: distance > 200m from dwelling	200	R 0
	- Borehole		R 0
	- Spring	8	300
	- Rain-water tank	n/a	n/a
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		n/a
	Estimated backlog in number (and cost to provide) water connection:		
	- Piped water inside dwelling		R (000s)
11	- Piped water inside yard	1900	R 1.800
		0	R 0
	- Piped water on community stand: distance < 200m		

	- Piped water on community stand: distance > 200m from dwelling	700	R 5000
	- Borehole	0	R 0
	- Spring	2	R 300
	- Rain-water tank	0	R 0
	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes	0	R 0
12	Free Basic Service Provision:		
	- Quantity (number of households affected)	8088	
	- Quantum (value to each household) per annum	R 336.02	R 8 600
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
	Type and number of grants and subsidies received:	R120=84% refuse/sewer FBS = 6 kl/mnth 50 kwh	
	DWAF operating subsidy		R (000s)
13	Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.	1	R 380
	Total operating cost of water distribution function		R380
	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance		R 9,320
14		Current	Target
Key Performance Area	O&M has continued as required		

<i>Operations and maintenance</i>	<i>A refurbishment programme been implemented</i>	<i>No Performance Management System during Financial year 2011/12</i>	
	<i>No infrastructure has been upgraded this year due to lack of funds</i>		
<i>Refurbishment of infrastructure Upgrading of existing infrastructure</i>	<i>A Bulk Service Contribution Policy has been implemented</i>		
	<i>Water loss management assessment continued</i>		
<i>New infrastructure Water loss management Pressure management</i>	<i>Pressure management assessment continued</i>		

MUNICIPAL INFRASTRUCTURE GRANT (MIG)

MUNICIPAL FINANCIAL YEAR	AMOUNT RECEIVED BY THE MUNICIPALITY	AMOUNT OF FUNDS DELAYED OR WITH HELD FROM THE MUNICIPALITY	ACTUAL EXPENDITURE OF THE GRANT	% EXPENDITURE	TARGET % EXPENDITURE	COMPLIANCE WITH THE CONDITIONS OF ALLOCATION
2011/2012	26 976 74	None	26 588 8895	100	100%	Full compliance. All projects implemented
Total	26 976 74	None	26 588 8895	100	100%	Full compliance. All projects implemented

Notes:

- The financial year 2011/12 the municipality implemented all projects.
- Implementation of the projects was done in full compliance with the conditions of the grant allocation. Monthly and quarterly reporting have been submitted on time.
- The financial year 2011/12 the municipality complied on DORA (Division of Revenue Act)

CONCLUSION BY THE MUNICIPAL MANAGER

In the first year of serving as the municipal manager, the municipality is on course towards achieving its stated goals stated in the IDP. The future looks promising whilst we acknowledge some areas which we have an improvement scope. A need for more emphasis on implementation and monitoring is essential so that we continuously evaluate our daily activity against the objectivity.

These programmes outline detailed steps that need to be taken in each area of social endeavor, and where appropriate allocated time lines.

Last financial year all MIG project were complete. It is in part and measure of the encouraging possibilities that our municipality faces that is now the opportunity which gathered momentum in the past year.

I want to emphasize and thank the Staff, Politicians, Officials and Community at large for their positive contribution towards this Municipality. I can state that without you there is no municipality.

One further emphasized the improved Finance Department of the Municipality together with the committed staff and the municipal staff as a whole. Your contribution is highly noted.

Service Delivery is the core function of this Municipality. As a result we are all intended and committed to serve our Communities with services. It is in our heart that we see this municipality advance to higher level.

Thaba Chweu Annual Report highlights the policies, programmes, achievements and challenges that brought our municipality to a point which we can proclaim with confidence that tomorrow looks much brighter than today.

Finally, the commitment of our employees in discharging their difficult tasks, the seriousness of the Communities in ensuring that their payment of services is an all-time culture and tradition, and the resilient leadership of our Councilors are all factors that are proving one thing: "THE CENTRE IS HOLDING" in TCLM.

It is only when the center holds that all goals are achievable.

Working together we can do more!!!!

All thanks to all TCLM patriots!!!

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THABA CHWEU



24 Hrs Emergency no:
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013 767 1713

PO Box 61
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Cnr. Viljoen & Sentraal Streets
All Correspondence to be directed
to the Municipal Manager

MUNICIPALITY

CERTIFICATE

I, Burton Shole Koma, the undersigned in my capacity as Municipal Manager, hereby certify that the under-mentioned resolution is a true copy of the minutes of a meeting of the Thaba Chweu Municipal Council held on 28 February 2013.

A3/2013

**TABLING OF THABA CHWEU MUNICIPALITY ANNUAL REPORT: 2011/2012
FINANCIAL YEAR
11/1**

Special Mayoral Committee Meeting : 28 February 2013
Special Council Meeting : 28 February 2013

RESOLVED

1. That the Annual Report 2011/12 document be noted as tabled.
2. Make public the Annual Report.
3. Invite the local community to submit representations in connection with the Annual Report.
4. Submit the Annual Report to the Auditor-General, Provincial and National Treasury and COGTA.
5. That the mid-year Assessment Report be noted.
6. That the Annual Report 2011/2012 be referred to MPAC for oversight.

B.S. KOMA
MUNICIPAL MANAGER
Annual Report 2011-2012/Briewe(E)



Walk for life